Supreme Court, U.S.
FILED

981345 FEB 8 - 1999

No. OFFICE OF THE CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1998

MARK B. RASMUSSON, et. al.,

Petitioners,

v.

LAWRENCE E. FROST, et. al.,

Respondents.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

APPENDIX F
Petitioners' Documentary Evidence Supporting Third Amended Original Petition and Affidavits

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236 pp

APPENDIX F

PETITIONERS' DOCUMENTARY EVIDENCE SUPPORTING THIRD AMENDED ORIGINAL PETITION AND AFFIDAVITS

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[See TAOP at App. 129-130, ¶¶ 24-27]

EXCERPTS FROM IN THE MATTER OF: THE M. B. RASMUSSON REVOCABLE TRUST, aka THE M. B. RASMUSSON 1978 TRUST

[Paragraph numbers added to text]

1. Petitioner JANET WHERRY, who is a beneficiary of the above trust, hereby presents her
petition for order transferring assets, as follows:

2. On November 24, 1987 this court made its order terminating the M. B. RASMUSSON REVOCABLE TRUST. By way of background, trust assets were distributable to two beneficiaries, JANET WHERRY and MARK RASMUSSON, who are sister and brother. MARK RASMUSSON was entitled to 60% of trust assets, and JANET WHERRY was entitled to 40% of trust assets. Over a period of about four and one-half years the trustee transferred substantial sums to each beneficiary. Said transfers were irregular in nature, and in varying amounts. Further, in nearly all instances the distributions were to one beneficiary or other, and were not made concurrently in a 60/40 ratio.

3. Attached to this petition as Schedule A and incorporated herein for all purposes is your petitioner's chronology of distributions which details the amounts of trust principal in fact received by her and her brother from July 1981 through November 18, 1985. Your petitioner is aware of no other distributions to either beneficiary during this period. Distributions to MARK RASMUSSON total $1,165,853.23. Distributions to your petitioner total $205,000. . . .

MARK RASMUSSON
RECEIPTS FROM M.B. RASMUSSON TRUST
JULY, 1981 THROUGH JANUARY, 1986

Date	Amount
07/15/81	$ 1, 500. 00
07/14/82	48,246.12
07/23/82	54,882.51
10/25/82	15,000.00
11/09/82	9,384.42
11/10/82	1,161.39
11/17/82	4,466.30
05/15/84	75,000.00
06/18/84	75,000.00
11/02/84	1,000.00
11 /06/84	9,000.00
11/16/84	2,500.00
12/17/84	5,000.00
01/11/85	2,500.00
03/15/85	12, 000. 00
03/20/85	10, 000. 00
05/06/85	61,000.00
08/22/85	1,000.00
	$ 388,640.74

MARK B. RASMUSSON
RECEIPTS FROM M.B. RASMUSSON TRUST
USED FOR RASMARK JET CHARTER
NOVEMBER, 1984 THROUGH OCTOBER, 1985

DATE	AMOUNT
11-16-84	$ 5,000
01-21-85	2,000
02-27-85	3,000
03-25-85	3,000
05-02-85	10,000
07-09-85	10,000
07-22-85	300,000
07-23-85	25,000
08-16-85	1,500
08-22-85	1,400
08-29-85	7,500
09-20-85	3,000
10-22-85	5,000
	$376,400

Account

Schedule 1, Continued [page 3 of pleading]

13.	5 California Community College; face amount of $25.000-00; bearing 4.902; due 2/1/91	$	17,941.95
14.	4,293 shares of FMC Corporation		110,037.82
15.	4,748 shares of Carnation Co.		127,082.00
16.	2,666 shares of American Standard, Inc.		86,645.00

17.	2,000 shares of Arizona Public Service Co.	32,250.00
18.	2,000 shares of PG&E	42,875.00
19.	360 shares of Portland Electric, 11.50% preferred	29,747.50
20.	Boat	1,875.00
21.	Bank of America, TCD 4267-05034	100,000.00
22.	Bank of America, TCD	150,000.00
23.	20 State of California Veteran's Bonds Bond Account of 1980; bearing 11%	108,326.44
24.	First Interstate Bank, MIA Account #7069-50990	90,000.00
25.	Trust's 1/2 interest in Income Tax Refund Receivable from Excess Salary withholding by Marras Corporation	2.856.00
26.	Account Receivable from Mark Rasmusson for Advances (principal only)	40,117.60
	Sub-Total This Page	939,754.31
	Sub-Total Page 2	555,748.86
		$ 1,495,503.19

[End of excerpts]

EXCERPTS FROM ORDER IN THE MATTER OF THE ESTATE OF VERA A. RASMUSSON, DECEASED

" . . . 10. That an Order Fixing inheritance Tax in the total amount of $269,002.00 was filed with this Court the 24th day of June, 1982; that your petitioner has paid said tax, from the assets of said estate in the following manner: that your petitioner, as Special Administrator, made an estimated payment on said tax in. the amount of $229,000.00 on May 8,1981, and that Crocker National Bank, as Executor of the Will of said, decedent made a final payment on said inheritance tax in the amount of $40,002.00 on June 30,1982.

12. That a federal estate tax return has been filed in this estate and a federal estate tax in the amount Of $749,358.26 has been paid by Petitioner from the assets of said estate as follows: that Petitioner, as Special Administrator, of $668,772.26 on account of said federal estate tax and that on or about the 12th day of Apri1,1982, your petitioner, as Executor, paid the balance of $80,586.00 on said federal estate; . . .

20. That Paragraph Tenth of the Last Will and Testament of the decedent, duly admitted to probate herein, provides for the establishment of a trust estate for the benefit of MARK B. RASMUSSON and ROBERT A. RASMUSSON, sons of the decedent; that the Fifth Codicil to said Last Will and Testament dated July 3, 1980, names CROCKER NATIONAL BANK, your petitioner herein, Trustee of the Trust created under the Last Will and Testament of Vera A. Rasmusson, deceased.

That said trust provides in part, that until each of the children attains the age of twenty-one (21) years, respectively, the Trustee shall pay to or apply for the benefit of each child so much of the net income from his share of the Trust Estate, . . .

Said trust further provides that upon each of the children attaining the age of twenty-five (25) years, the Trustee shall deliver to

such child one-third of the then balance of the principal of his share of the trust estate; that upon each of said children attaining the age of thirty years, the Trustee shall distribute and deliver to such child one-half of the then balance of the principal of his share of the trust estate; and that upon each child attaining the age of thirty-five (35) years [Mark Rasmusson reached 35 in April 1990], respectively, the Trustee shall distribute and deliver to such child all of the then balance of his share of the Trust Estate. . . .

That Robert A. Rasmusson, one of the sons of decedent, died on July 15, 1981, without issue, prior to attaining the age of thirty-five (35) years, and that in accordance with the provisions of the Last Will and Testament of said decedent, petitioner will add the share of the trust estate which would have belonged to Robert A. Rasmusson to the trust estate created for the benefit of Mark B. Rasmusson, the sole surviving son of the decedent. . . .

IT IS ORDERED AND DECREED AS FOLLOWS: . . .

8. That in accordance with the terms of the Last Will and Testament of the decedent duly admitted to probate herein, said estate be, and the same is hereby distributed as follows: . . .

TO: CROCKER NATIONAL BANK, AS TRUSTEE UNDER THE WILL OF VERA A. RASMUSSON, DECEASED, FOR THE BENEFIT OF MARK B. RASMUSSON: . . .

BONDS: . . .
COMMON STOCK:

571	shares	Archer-Daniels - Midland Company . . .
1,000	shares	Carnation Company . . .
1,500	shares	FMC Corporation . . .
200	shares	Foremost-McKesson, Inc. . ..
400	shares	Mesa Petroleum Company . .
18	shares	National City Bankcorporation . . .
562	shares	Pacific Gas and Electric Company . . .

CLOSELY-HELD STOCK (CORPORATION IN PROCESS

OF LIQUIDATION) . . .
UNSECURED PROMISSORY NOTE: . . .
REAL ESTATE LOANS: . . .
REAL ESTATE: . . .

[TOTAL] $944,483

9. That CROCKER NATIONAL BANK, as Trustee of the Trust created for the benefit of MARK B. RASMUSSON, under the Last Will and Testament of the decedent, be, and it is hereby directed to distribute one-third of said trust estate to MARK B. RASMUSSON after this Decree of Distribution is entered in these proceedings.

10. That all other property of the estate whether described herein or not, be, and the same is hereby distributed to CROCKER NATIONAL BANK, AS TRUSTEE UNDER THE WILL OF VERA A. RASMUSSON, DECEASED, FOR THE BENEFIT OF MARK B. RASMUSSON.

DONE IN OPEN COURT this 14th day of September, 1982 . . ."

/s/ WM. A. WHITE
Judge of the Superior Court

[See TAOP at App. 133, ¶ 35-36]

[emphasis in original]

RASMARK
Jet Charter Inc.

Mr. Nowack: [sic]
RE: U.S. CUSTOMS
May 22, 1989

Dear Mr. Nowack,

Thank you for the meeting on 5/2/89. As a professional Pilot in El Paso, we are constantly Harrassed [sic] at the AIRPORT CUSTOMS facilty. [sic] Last night at 8;45pm. [sic] 5/21/89 we were rudely treated, I was called "BLACK SHORTS" by your officers, during your ""ROUTINE"" search a can of juice was spilt [sic] staining the carpet in our plane. Luggage was strewn thruout [sic] the cabin, also a pair of sunglasses were missing. To further the rudeness your officer, suggested I learn to be courteous. Well I have a suggestion: YOU teach your officers not to refer to anyone as "HEY YOU" BLACK SHORTS . We intend to pursue these matters and problems caused to us by U.S. CUSTOMS until an explantion [sic] is given.

The enclosed letter was hand delivered to Senator Ted Kennedy.

Thank You For Your Consideration,

/s/ Mark B. Rasmusson
President/Owner
Rasmark Jet Charter Inc.

[See TAOP at App. 133, ¶ 35]

[Paragraph numbers added to text]

RASMARK
Jet Charter Inc.

Senator Ted Kennedy
RE: Customs - El Paso, Texas

May 22, 1989

Dear Senator Kennedy:

1. I would appreciated one minute of your time to understand our position on U.S. Customs. First of all, we operate our small charter company, Rasmark Jet Charter, Inc. in El Paso for the convenience of our customers we operate into and out of Canada, U.S., and Mexico. This means we cross borders several times a week. We have been delayed for over 2 years by US Customs at El Paso with searches by dog, strip searches, taking the airplane apart, searches of all personal belongings, being rude and uncourteous, even pointing machine guns at us with my wife and son on board. In general, we consider them to use Nazi Gestapo tactics. We are searched 95% of the for a least 1 - 2 hours delay, I am not kidding.

2. Senator, we are law abiding citizens who abhor drugs and drug users. We also own and operate our airplanes and comply with all FAA regulations, including the new mandatory drug testing programs. Yet we are still searched time and time again.

3. Cars on the bridge are searched 6% randomly, yet we are searched over 90%. Can you please explain why?

4. I have formed a complaint commission with 30 other professional pilots in my area and we had a meeting with the Director of Customs, Mr. Bill Nowack. We announced our individual

complaints. Yet the very next time through on 05/21/89 at 9:00pm, we were searched for over 1 hour with dogs and 10 agents who spilled our Mango juice into the airplane's carpet, and rifled our baggage leaving it in disarray. All while another plane was waved on by without having to deplane.

5. We agree with the war on drugs, and agree with tough laws and standards, but I do detest U.S.Customs acting and searching like "Nazi Germans"! [emphasis in original] If you would please have a word to the Director about this horrible situation, I and my fellow professional pilots would appreciate your concern.

Respectfully yours,

Rasmark Jet Charter, Inc.

/s/ Mark & Debra Rasmusson

[See TAOP at App. 133, ¶¶ 35-36]

[Paragraph numbers added to text]

Juan L. Brito
1417 Honeysuckle
El Paso, Tx. 79925

May 20, 1989

Mr. William Nowak
Director-Insp. & Control
U.S. Customs Service
P. O. Box 9515
El Paso, Texas 79985

Dear Mr. Nowak:

1. Enclosed is the list of pilots and FAA personnel that attended our meeting of 5/2/89 at Southwest's Air Rangers. There were about six or seven other pilots that preferred not to sign the roster.

2. The concensus the persons attending the meeting is that you did not agree to anything except that the inspectors should be polite, it would be of great benefit if you or Ms. Robles would answer our petition in writing.

3. One point that you may consider retraining your inspectors on is the mistaken belief that persons crossing into the U.S. have no legal or civil rights until cleared by the inspectors. I have made it a point to ask several inspectors about this and have been told by all of them that persons crossing have no civil or legal rights.

4. I would like to remind you that our offer to teach your inspectors how to search aircraft still valid. HidroGas has offered the use of their large hanger for this purpose.

5. All of the inspectors at the airport have conducted themselves in a very professional

manner during my four crossings since the meeting.

Sincerely yours,

/s/ Juan L. Brito

Page I

5-2-89
U.S. CUSTOMS MEETING
SIGN IN SHEET

NAME	COMPANY REPRESENTED	TELEPHONE NUMBER
Juan Brito	D & L Farms	915-772-6724
Gary Lynch	El Paso Natural Gas	915-772-0225
Sergio Moreno	ZARGEO INC.	505-589-1200
Harland Bevden	ZARGEO INC.	505-589-1200
Carlos Gonsalez	FAA FSS	778-6451
Sal Mugica	Same	Same
Edward Solomon		833-3088
William T. Creech		581-3401

Betty Lou Yearwood		778-363
Willie G. Nunez		525-0086
Tony Petrofes	Papa November Partnership	772-1107
Jerry Holder	Texas International	779-8400
Steve Stetler	Gas & Oil Co.	" "
Frank McGarr	" " " "	" "
Mark B. Rasmusson	Rasmark Jet Charter	772-4616
Mike Bergeron	Rasmark Jet Charters	772-4616
Floyd Draper	Hidro Gas	779-1361

[See TAOP at App. 135, ¶ 46]

[Paragraph numbers added to text]

Department Of The Treasury
U.S. Customs Service
El Paso, Texas
June 7, 1989

Mr. Mark B. Rasmusson
Rasmark Jet Charter, Inc.
6825 Convair Road
El Paso International Airport
El Paso, Texas 79925

MAN 10-02-EP:I:I JAJ

Dear Mr. Rasmusson:

1. This is in response to the complaint you recently submitted to my office regarding inspection by several U.S. Customs officers when you returned from Mexico on May 21, 1989. The allegations made have been given attention ;and a thorough inquiry has been conducted.

2. You stated that during the search of your aircraft a can of juice was spilled staining the carpet. Before the inspection had actually started, the first two officers that entered your aircraft noted that a can of juice had overturned and spilled on the carpet.

3. You also stated that a pair of sunglasses were missing. The two officers that entered the plane noticed a pair of sunglasses lying on one of the seats and one of the officers placed them overhead to insure they would not be damaged when the detector dog entered the aircraft.

4. You further stated that luggage was strewn throughout the cabin in your aircraft. The officers involved conducted a thorough search of your airplane, but upon completion of inspection all luggage was placed in the plane as it was found.

5. You further allege that you were referred to as "black shorts" and were treated rudely. The officers do not recall referring to anyone in your party as "black shorts". There is no indication that anyone was treated rudely and this inspection was conducted in a quick and professional manner.

6. Customs officers are expected to be thorough, professional and courteous as they carry out their duties. They are trained to discharge their responsibility with firmness and with a high degree of professionalism. In this situation, there is no indication revealed by our investigation that the inspectors involved acted inappropriately.

7. I trust that your future dealings with the Customs Service will be more pleasant.

Sincerely,

/s/Mike Mack
District Director
El Paso, Texas

[See TAOP at App. 135, ¶ 47]

Joseph R. Biden, Jr., Delaware, Chairman

Edward M. Kennedy, Massachusetts
Howard M. Metzenbaum, Ohio
Dennis Deconcine, Arizona
Patrick J. Leahy, Vermont
Howell Heflin, Alabama
Paul Simon, Illinois
Herbert Kohl, Wisconsin

Strom Thurmond, South Carolina
Orrin G. Hatch, Utah
Alan K. Simpson, Wyoming
Charles E. Grassley, Iowa
Arlen Specter, Pennsylvania
Gordon J. Humphrey, New Hampshire

Mark H. Gitenstein, Chief Counsel
Diana Fuffman, Staff Director

Terry L. Wooten, Minority Chief Counse
R.J. Duke Short, Minority Staff Director

United States Senate
Committee On The Judiciary
Washington, DC
20510-6275

June 8, 1989

Mark and Debra Rasmusson
Rasmark Jet Charter, Inc.
6825 Convair Road
El Paso International Airport
El Paso, TX 79925

Dear Mr. and Mrs. Rasmusson:

Thank you for your letter regarding your difficulties with border inspections. I share your concern over the circumstances surrounding your experiences with the Customs Service.

I have referred your letter to the Senate Finance Committee, which oversees the United States Customs Service. The committee's staff will further pursue this matter and keep you informed of developments.

Again, thank you for bringing your grievance to my attention. Please notify me if I can be of further assistance.

Sincerely,

/s/ Edward M. Kennedy

[See TAOP at App. 135, ¶ 48]

RASMARK
Jet Charter Inc.

Office (915) 772-4616
Mobil (915) 525-7375

Senator Ted Kennedy
315 Russell Bldg.
Office of Sen. Kennedy
Wash. D.C. 20510
Attn: Elizabeth

June 16, 1989

Dear Senator:

Again Senator we certainly enjoyed having you as a client during your Texas visit. If you ever need us again, day or nite we will be happy to serve you in the U.S., Canada, or Mexico. Please find jour brochure enclosed.

Also thanks for your interest in my problem with U.S. Customs here in El Paso. The Director Mr. Mack replied to our complaint "a thorough inquiry has been conducted." Well he didn't even call or talk to us about our complaint, he only denied everything! Personally I don't need to just complain for the sake of just complaining, and this goes much further than just this one instance. I am only asking for courteousness and professionalism at our airport and not to be delayed, as it embarrasses me in front of paying passengers to be treated rudely.

Anyway, thanks again for your time and effort, and your letter it was a moral booster.

P.S. Sir, if you would kindly autograph the enclosed pics [sic] and return in the s.a.s.e. [sic] we would truly appreciate it.

Kindest Regards,

/s/ Mark B. Rasmusson, Pres.

[See TAOP at App. 135, ¶ 49]

Lloyd Bentsen
Texas

Committees:
Finance
Commerce, Science And Transportation
Joint Economic
Joint Committee On Taxation

United States Senate
Washington, D.C. 20510

June 20, 1989

Mr. & Mrs. Mark Rasmusson
Rasmark Jet Charter Inc.
6825 Convair Road
El Paso International Airport
El Paso, Texas 79925

Dear Mr. & Mrs. Rasmusson

Thank you for your recent letter concerning inspections at the El Paso Airport by U.S. Customs officials.

In an effort to be of assistance to you, I have been in tough with the Customs Service on ;your behalf, and will contact you as soon as I have something substantive to report.

I appreciate having the opportunity to look into this matter for you, and I hope that you will let me know if I may be of additional assistance.

Sincerely,

/s/ Lloyd Bentsen

[See TAOP at App. 135, ¶ 50]

Lloyd Bentsen
Texas

Committees:
Finance
Commerce, Science And Transportation
Joint Economic
Joint Committee On Taxation

United States Senate
Washington, D.C. 20510

July 27, 1989

Mr. & Mrs. Mark Rasmusson
Rasmark Jet Charter Inc.
6825 Convair Road
El Paso International Airport
El Paso, Texas 79925

Dear Mr. & Mrs. Rasmusson:

Enclosed is a copy of an interim report I received recently in response to my inquiry on your behalf.

I will be in touch with you again as soon as I receive any further word.

Sincerely,

/S/Lloyd Bentsen

Enclosure:

[See TAOP at App. 136, ¶ 51]

DEPARTMENT OF THE TREASURY
U.S. CUSTOMS SERVICE
WASHINGTON, D.C.

Jul 18 1989

DIS 6 E:EO:SP:F
89-TC-14002 GLM

The Honorable
Lloyd Bentsen
United States Senator
1100 Commerce
Dallas, Texas 75242

Dear Senator Bentsen:

This is to acknowledge rceipt of your letter dated June 20, 1989, wherein you stated that your constituents, Mark & Debra Rasmusson, are experiencing difficulties clearing Customs.

We wish to advise you that we are looking into this matter and will respond to you further as soon as possible.

Sincerely,

/s/ Charles R. Parkinson
Associate Commissioner for
Congressional and Public Affairs

[See TAOP at App. 136, ¶ 52]

Lloyd Bentsen
Texas

Committees:
Finance
Commerce, Science And Transportation
Joint Economic
Joint Committee On Taxation

United States Senate
Washington, D.C. 20510

October 10, 1989

Mr. & Mrs. Mark Rasmusson
Rasmark Jet Charter Inc.
6825 Convair Road
El Paso International Airport
El Paso, Texas 79925

Dear Mr. & Mrs. Rasmusson:

Enclosed is a copy of the report I have received from officials of the Customs Service in response to my inquiry on your behalf.

I trust this information will be of use to you and that you will find the report self-explanatory. It has been my pleasure to look into this matter. If I may be of service in the future, please let me know.

Sincerely,

/s/ Lloyd Bentsen

Enclosure

[See TAOP at App. 136, ¶ 53]

[Paragraph numbers added to text]

THE COMMISSIONER OF CUSTOMS

WASHINGTON, D.C.

October 2, 1989

DIS 6 E:EO:SP:F
89-TC-1418 GLM

Dear Senator Bentsen:

1. This is in further response to your letter dated June 20, 1989, wherein you stated that your constituents, Mark & Debra Rasmusson, are experiencing difficulties clearing Customs.

2. As you may know, the U.S. Customs Service has a multi-faceted mission at all of our borders. We are simultaneously a service agency, a collector of the revenue and an enforcement agency, incidentally, enforcing in excess of 400 provisions of law and regulations of many other federal agencies. This requires a very delicate balance of approaches and processing that might a first seem incompatible.

3. With the exception of persons and/or baggage exempt from Customs inspection because of diplomatic status, all travelers to this country are subject to as thorough an inspection as the Customs officers deem necessary to ensure that the Customs and related laws are not being violated.

4. Please assure the Rasmussons that it is not the intent of the U.S. Customs Service to subject the traveling public to unwarranted scrutiny. The traveling public is entitled to and is accorded the utmost courtesy and facilitation we can offer within the limits of our enforcement responsibilities. The U.S. Customs Service depends upon the traveling public's understanding and cooperation with its responsibility of monitoring our land and sea borders. Regrettably, our efforts cannot always be painless.

5. The U.S. Customs Service recognizes that intensified searches will cause delays, but the illegal narcotics threat posed by smugglers is so significant that passengers should expect delays. We stress in all of our training the need to be firm and inquisitive while remaining polite and tactful. In addition, we try to help reduce the inconvenience to legitimate travelers, but delays should still be expected.

6. Our procedures are routinely carried out and should not be considered personal harassment but rather a necessary part of effectively performing our mission. I regret any negative impressions of the U.S. Customs Service the Rasmussons took away with them. Unfortunately, such impressions are often the result of a lack of understanding of Customs procedures or even the need for such procedures.

7. The U.S. Customs Service receives and analyzes various types of information from various sources. In addition, we also cooperate with all other law enforcement agencies in carrying out their responsibilities. I wish to advise you that I have reviewed our records and have determined that they are properly maintained and no changes are warranted at this time. However, the records will be reviewed again in one year.

8. I regret any inconvenience or unpleasantness the Rasmussons may have experienced. In the meantime, if I can be of any further assistance to you, please do not hesitate to contact me.

Sincerely,

/s/ Michael H. Lane
Acting Commissioner

The Honorable
Lloyd Bentsen
United States Senate
Dallas, Texas 75242

[See TAOP at App. 137, ¶ 57]

AIRCRAFT TITLE REPORT
from FAA RECORDS SEARCH

Acct. No. 40251

Phone No. 915-772-4616

Insured Aircraft Title Service, Inc.
P.O. BOX 19527
OKLAHOMA CITY,
OKLAHOMA 73144
(405) 681-6663
TOLL FREE:
PHONE 800-654-4882

FOR: Rasmark Jet Charter, Inc.
6825 Convair Road
El Paso, TX 79925

Attn: Debra Rasmusson RE: N/A

FAA Records Search revealed the following TITLE information on the aircraft herein described

REGISTRATION N7GP Lear Jet MODEL 23

RECORD OWNER: Guillermo, Portillo SERIAL NO 23-082
1740 American Drive, El Paso, TX 79925

TITLE: Owner TYPE: Individual
SIGNED BY: Same as above DATE REGSTRD: 2-3-89

ACQUIRED BY: Bill of Sale DATE: 9-7-88

DATE FILED:9-19-88 RECORDED: 2-3-89 FAA Doc #Q36648

PREV. OWNER: Aero Craft International
1865 Brickell Ave. A-209,
Miami, FL 33129

DATE REGSTRD: 2-03-89

SUBJECT TO: Security Agreement DATED: 7-11-88
AMOUNT $4,000,000.00

FILED AT FAA: 8-15-88 RECORDED: 8-24-88
FAA Doc #K79996

DRAWN BY: Barron Thomas Aviation, Inc.
P.O. Box 7293, Dallas, TX 75209

IN FAVOR OF: Amarillo National Bank
P.O. Box 1611, Amarillo, TX 79181

This search is subject to the filings reflected on the index of collateral provided by the FAA and Insured Aircraft Title Service, Inc. assumes no responsibility as to the accuracy of said source, and does not guarantee, insure or warrant that said FAA index is free of error.

INVOICE

PLEASE RETURN YELLOW COPY WITH YOUR REMITTANCE

TITLE AFTER REC.	$	
TITLE SEARCH FEE	$	45.00
RUSH CHARGE	$	
PHONE CHARGE	$	
OTHER	$	
PREPAID	($)	
TOTAL due	$	45.00

Date 11-7-90
Time 8:00 a.m. CST
INSURED AIRCRAFT
TITLE SERVICE, INC.
by /s/ A. Tavor
Title Examiner

AT/eo

[See TAOP at App. 137, ¶ 57]

Rasmark Jet Charter, Inc.
24 Hour All Weather Learjet Charter Service

March 7, 1991

Guillermo Portillo
1740 American Drive
El Paso, TX 79925

Dear Sir:

As to your account with Rasmark Jet Charter, of this date your account was paid in full with check number 2510127. It also gives us great pleasure to inform you that your plane is in excellent airworthiness condition.

All inspections and time change items have been completed with, and of course the aircraft has been hangard since it's arrival in October of 1989. It has been a pleasure serving you.

We will miss our professional relationship with you, however we wish you the best of luck. The future owners of N7GP will be most fortunate with their purchase.

Once again best wishes and thank you for your business!

/s/ Mark & Debra Rasmusson
Owners/Rasmark Jet Charter

[See TAOP at App. 137, ¶ 57]

EXCERPTS FROM FAA AIRCRAFT LIEN RELEASE FORM

PART I - CONVEYANCE RECORDATION NOTICE
NAME OF DEBTOR: PORTILLO, GUILLERMO

NAME AND ADDRESS OF SECURED PARTY/ASSIGNEE:
Rasmark Jet Charter Inc.
6825 Convair Rd.
El Paso, Texas 79925

FAA REGISTRATION NUMBER: N7GP
AIRCRAFT SERIAL NUMBER: 082

AIRCRAFT MFR. (BUILDER) and MODEL: Gates Learjet 23
ENGINE SERIAL NUMBER(S): L/H 241-124 R/H 241-121

THE SECURITY CONVEYANCE DATED 11/6/90
COVERING THE ABOVE COLLATERAL WAS RECORDED BY THE FAA AIRCRAFT REGISTRY ON N7GP AS CONVEYANCE NUMBER H.B. #2603

PART III – RELEASE – (This suggested release form may be executed by the secured party and returned to the FAA Aircraft Registry when terms of the conveyance have been satisfied. See below for additional information.)

THE UNDERSIGNED HEREBY CERTIFIES AND ACKNOWLEDGES THAT HE IS THE TRUE AND LAWFUL HOLDER OF THE NOTE OR OTHER EVIDENCE OF INDEBTEDNESS SECURED BY THE CONVEYANCE REFERRED TO HEREIN ON THE ABOVE-DESCRIBED COLLATERAL AND THAT THE SAME COLLATERAL IS HEREBY RELEASED FROM THE TERMS OF THE CONVEYANCE. ANY TITLE RETAINED IN THE

COLLATERAL BY THE CONVEYANCE IS HEREBY SOLD, GRANTED, TRANSFERRED, AND ASSIGNED TO THE PARTY WHO EXECUTED THE CONVEYANCE, OR TO THE ASSIGNEE OF SAID PARTY IF THE CONVEYANCE SHALL HAVE BEEN ASSIGNED; PROVIDED, THAT NO EXPRESS WARRANTY IS GIVEN NOR IMPLIED BY REASON OF EXECUTION OR DELIVERY OF THIS RELEASE.

DATE OF RELEASE 3/07/91

RASMARK JET CHARTER, INC.

(Name of Security Holder)

SIGNATURE (in ink) /s/

Deborah Rasmusson

TITLE VICE PRESIDENT/OWNER

[End of Excerpts]

[See TAOP at App. 138, ¶ 58; App. 913, 920-21, Frost's Affidavit]]

EXCERPTS FROM PERKINS' WIRETAP AFFIDAVIT

Ronald F. Ederer
United States Attorney
Western District of Texas **FILED: May 7, 1990**

Debra P. Kanof
Assistant United States Attorney
Chief Major Narcotics Violators Unit and
Organized Crime Drug Enforcement Task Force
353 United States Courthouse
El Paso, Texas 79901
Telephone: (915) 534-6884

Attorneys for Applicant
United States of America

United States District Court
For the Western District of Texas

In the Matter of the Application	)	**Misc. No.**
of the United States of America	)	**EP-90-CR-198-H**
for an Order Authorizing the	)	
Interception of Wire Communications	)	
and the Operation of Pen Registers	)	
or Touch Tone Decoders.	)	

Affidavit Of Steven E. Perkins In Support Of Application For The Interception Of Wire And Oral Communications And The Operation Of Pen Registers Or Touch Tone Decoders.

. . . G. This affidavit is made in support of an application to intercept, for a period of thirty days, wire and oral communications of JESUS

ARMANDO FLORES, hereinafter referred to as FLORES, and members of his illegal drug trafficking organization, known and as yet unknown or not identified, to and from telephone numbers (915) 859-3885, subscribed to JESUS A. FLORES at 12112 Citation Drive, El Paso, Texas, and (915) 855-0317, subscribed to Vista Remodeling, 11840 Diamond Head, El Paso, Texas, a business owned by JESUS ARMANDO FLORES and used as a front for his drug trafficking activities.

To date the following individuals are members of FLORES' drug trafficking organization who have in the past and who I anticipate will in the future communicate with FLORES over these phone lines and who will hereinafter be referred to as "proposed interceptees"

1. Ignacio Barragan-Maldonado
2. Jose Ricardo Renteria
3. Santiago Sahagun-Mendez
4. Pedro Armando Garcia
5. Fernando Sanchez Mesa
6. Joseph Harry Peake
7. Albert Hugh Dodd
8. Norman Steve Valdez
9. Daniel Gutierrez Anchondo
10. Miguel Angel Villalba
11. Juan Carlos Lozoya
12. Rene Fernandez Corral
13. Peter Wells Seaverns

. . . FLORES currently resides at 12112 Citation Drive, El Paso, Texas, and still owns his previous residence located at 11648 James Watt Drive, El Paso, Texas. Recently FLORES has become the co-owner of the Costa Brava Restaurant located at 1160 Airway Boulevard, El Paso, Texas. The Costa Brava Restaurant has been known to DEA for several years as a safe meeting place for cocaine traffickers.

C. FACTUAL BACKGROUND:

1.) FLORES

a.. On March 7,1985, FLORES was arrested by Texas DPS Narcotics investigators after he delivered 27.3 grams of cocaine to a DPS undercover agent in El Paso, Texas. In reviewing the DPS case file on FLORES, I saw that the investigation began on March 1, 1984, when an undercover agent called FLORES at his residence telephone number

(915)593-2909 and negotiated to meet FLORES that evening to purchase cocaine. FLORES met undercover agents three times that evening; during the first meeting, FLORES negotiated cocaine quantity, quality and price; during the second meeting, FLORES delivered a sample of the cocaine that he had for sale; and at the third meeting, FLORES sold the undercover agents approximately one ounce of cocaine. During the first two meetings, FLORES drove a 1984 white Audi bearing Texas license # UQL-159 registered to a SERGIO JAQUEZ. For the third meeting, at which time FLORES delivered the cocaine, he drove a grey foreign car bearing license plates that were not registered to a foreign made vehicle, but were assigned to a 1979 Ford LTD. Prior to each meeting to negotiate for cocaine, FLORES changed the meeting location unexpectedly and all three meetings were held in separate parking lots. After selling the agents the cocaine, FLORES told the agents to call him the next time they needed anything and FLORES gave the agents three telephone numbers where he could be reached: (915) 593-2909, FLORES' home telephone number; (915) 598-7073, FLORES' business telephone number; and (915) 546-1348, FLORES' pager telephone number.

b. On June 21, 1984, one of the undercover agents called FLORES at his residence, telephone (915) 593-2909, to arrange another meeting for the purchase of cocaine. FLORES told the undercover agents to meet him in the parking lot of the Cielo Vista Shopping Mall, El Paso, Texas, at 10:30 a.m. the next day. On June 22, 1984, the undercover agent called FLORES at his residence to negotiate cocaine quantities and verify the meeting location and time. On that same date, at approximately 11:06 a.m., FLORES and another unidentified male met the undercover agents at the Cielo Vista Shopping Mall. FLORES negotiated cocaine quantity and price with the agents and instructed the agents to follow him in his vehicle. FLORES was driving a 1981 white Cadillac bearing Texas license YBR-324, registered to FLORES, 1750 Lee Trevino, El Paso, Texas. After driving a few blocks, FLORES stopped his vehicle in the middle of the road and walked back to the agents' vehicle. FLORES told the agents that they were being followed and instructed them to meet him at the Arby's on Hawkins Boulevard in fifteen minutes. At the Arby's restaurant, FLORES told the agents that the deal was off because FLORES had people following him.

FLORES also said that his friend was checking the license plates to see to whom they belonged.

c. On June 26, 1984, one of the undercover agents saw FLORES driving around the DPS Narcotics office. Qn June 27, 1984, the same undercover agent saw FLORES in the building where the DPS Narcotics office was located, 9400 Viscount Suite 109, and on two occasions, saw FLORES standing at the back door to the DPS Narcotics office.

d. On December 20, 1984, the DPS undercover agent called FLORES on his pager. Approximately ten minutes later, FLORES called the undercover agent and agreed to meet to negotiate a cocaine sale. On that same date, at approximately 2:25 p.m., FLORES met with the undercover agents and negotiated cocaine price and quantity. FLORES was driving a brown 1984 Ford pick-up truck bearing Texas license ZM-1553, registered to RAPSCO Wholesale Co., 123 S. Carolina, El Paso, Texas. After stalling the agents for almost four hours and changing meeting locations three times, FLORES sold the undercover agents approximately two ounces of cocaine. After the transaction, FLORES offered to "front" (advance) the agents approximately ten kilograms of marijuana to sell and the agents could pay FLORES the proceeds of the sale the next time they saw him. The agents declined and FLORES drove away.

e. On March 4, 1985, FLORES called the undercover agent and offered to sell him 600 pounds of marijuana at $400.00 per pound. The undercover agent told FLORES that he would purchase all 600 pounds of marijuana on March 7, 1985. On March 5, 1985, the undercover agent called FLORES at his residence, 11648 James Watt, El Paso, Texas, and was advised by FLORES that he had the 600 pounds of marijuana ready to sell and would bring the undercover agent a sample of the marijuana the following day. On March 6, 1985, FLORES called the undercover agent and told him that his friend, his source of supply, was "busted" (arrested) with the 600 pounds of marijuana and some cocaine. FLORES went on to say that he thought he could supply the undercover agent with sixteen ounces of "sheet rock" (meaning cocaine) and instructed the agent to call him the next

morning.

f. On March 7, 1985, via telephone conversation, FLORES arranged to meet the undercover agents in the parking lot of the Mervyn's Store on Gateway West, El Paso, Texas, so FLORES could sell the undercover agents sixteen ounces of cocaine. The arrangements were made after Sergeant Ron Stinnett paged FLORES on his pager, telephone (915) 546-7673. On that same date, at approximately 2:15 p.m., FLORES met the undercover agents and told them that he had seventeen ounces of cocaine for sale but that he only had one ounce with him. FLORES said that if the agents would buy the one ounce now he would go get the other sixteen for them. The undercover agents saw the one ounce, gave the pre-arranged arrest signal and FLORES was arrested. At the time of his arrest, after the agents identified themselves as police officers, FLORES fled and had to be pursued and apprehended. After his arrest, FLORES consented to a search of his residence, located at 11648 James Watt, El Paso, Texas. In FLORES' residence, the agents found a small bottle containing cocaine, a marijuana pipe, three cocaine snorters, one cocaine spoon, and one funnel. FLORES was charged with three counts of delivery of a controlled substance, to-wit: cocaine, and was placed in the El Paso County Jail in lieu of 75,000.00 bond.

g. During an interview with DPS Narcotics Sergeant Ron Stinnett, one of the undercover agents, FLORES stated that he wanted to provide information in exchange for favorable consideration at the time of his sentencing. Several days later, Sergeant Stinnett met with FLORES and was told by FLORES, that he had obtained an attorney and was instructed, by counsel, not to cooperate with the government. FLORES told Stinnett that for a fee of $20,000.00 the attorney could promise that his case "would never hit the docket." As of April 25, 1990, FLORES' cocaine case has not been placed on the docket and has yet to be prosecuted in any Texas State District Court.

2.) Proposed Interceptees

a. On September 28, 1987, during the investigation of a major

cocaine trafficking organization headed by AUDELTO ARZOLA-AMAYA,members of the DEA El Paso, Texas, OCDETF group seized a 1984 motor home from the residence of FLORES located at 11648 James Watt,El Paso, Texas. The seizure was based on probable cause to believe the motor home had been used to transport approximately one thousand pounds of cocaine from El Paso, Texas, to California. At the time of the seizure, the agents talked to FLORES, at his residence, and were told by FLORES that he had borrowed the motor home from a friend named STEVE VALDEZ and that he was going to use the motor home for recreational activities. . . .

b. In January 1988, agents of the Los Angeles DEA ... interviewed a confidential informant who, for several years, had been providing the DEA with information about major drug traffickers, based in the country of Mexico. . . . When DEA . . . subpoenaed subscriber information for two of the telephone numbers from this list, he learned that one of the telephone numbers was subscribed to FLORES at his residence and another of the telephone numbers was subscribed to by Vista Remodeling; . . .

c. On April 28, 1988, Detectives of the El Paso Police Department Narcotics Unit seized five thousand, six hundred, and seventy (5,670) pounds of marijuana . . . Arrested as a result of this seizure were . . . JOSE EDUARDO BARRAGAN (the son of proposed interceptee IGNACIO BARRAGAN). . . .On June 3, 1988, DEA Special Agent Palmira Lopez issued a subpoena to Southwestern Bell Telephone Company for subscriber information . . .

d. I have been told by INS Special Agent Ron Ayers, of the El Paso DEA OCDETF Group, that on October 5, 1988, while surveilling the residence of a major drug trafficker (and OCDETF target) named JACK MOODY STRICKLIN JR., . . .DEA Special Agent Thomas Lenox reported seeing a Chevrolet 4x4 pick-up truck . . . on several occasions parked in the circle driveway of FLORES' residence . . .
e. On February 2, 1989, Detectives of the El Paso Police Department Narcotics unit seized approximately one thousand, one hundred (1,100) pounds of marijuana from inside two vans parked in a public parking lot in El Paso. . . . I received information from a confidential source that the

1,100 pounds of marijuana seized by the El Paso Police Department Narcotics Unit on February 2, 1989, belonged to FLORES, . . .

In July of 1989, I met with FBI Special Agent Gary Webb of the El Paso, Texas, FBI office, . . .Special Agent Webb told me t6hat Skowronski had been arrested at the U.S. Border Patrol checkpoint .. . . in possession of 415 pounds of marijuana.

f. I have been informed by DEA Special Agent Thomas Lenox that in July, 1989, the El Paso, Texas, office of the Internal Revenue Services (IRS), Criminal Investigation Division began investigating FLORES and his business, Vista Remodeling for tax evasion. In November, 1989, Special Agent Lenox met with IRS Special Agent Robert Martinez and was told that it appeared that FLORES was spending money far beyond that of his reported income. Special Agent Martinez also said that, although Vista Remodeling did do a small amount of legitimate business, it was his opinion that Vista Remodeling was nothing more than a front to give FLORES an appearance of legitimacy and a vehicle for laundering drug money. ...

g. On August 7, 1989, I participated in the surveillance of a meeting between a cocaine trafficker identified as JOSE ANTONIO AYALA and undercover DEA Agents to negotiate for the future delivery of fifty kilograms of cocaine. . . . This investigation culminated on August 8, 1989, when JESUS MONCADA delivered fifty kilograms of cocaine . . . to undercover agents . . . Subsequent investigation revealed that JESUS MONCADA is FLORES' brother-in-law . . .

Several months later, while working on an unrelated case, IRS Special Agent Bob Martinez interviewed Mr. PETE SEAVERNS, the owner of Dove Motor Company. During the interview, Mr. SEAVERNS stated that FLORES did not work for him and that he did not have any part-time salesmen working at Dove Motor Company.

h. On August 31, 1989, Detectives of the El Paso Police Department Narcotics Unit seized approximately ten kilograms of cocaine during an undercover operation conducted at the Brass Bull Bar, . . . on September 1, 1989, El Paso Police Department Narcotics

Detectives executed a search warrant . . On August 18, 1989, that same pager number had been subpoenaed by Dfetective Juan Sanchez of the El Paso Police Department. . .Detective Sanchez also said that his confidential informant told him that ROYBAL was FLORES' right hand man, . . .

i. On November 14, 1989, I met with Texas DPS Sergeant John Cottle who advised me that FLORES had come up in a DPS reverse undercover operation in Houston, Texas. . . .

On March 15, 1989, during a surveillance conducted at the Costa Brava Restaurant in El Paso, Texas, surveillance agents saw PEDRO GARCIA with FLORES. . . .

During surveillance conducted at FLORES' residence, . . . DEA Special Agent Thomas Lenox has seen JOSEPH PEAKE on several occasions from December 11, 1989, to the present. On March 12, 1990, I saw JOSEPH PEAKE meet with FLORES and two other unidentified individuals at Sun West Cellular Inc., . . .

k. On November 15, 1989, DEA Special Agents and officers of the Ontario Police Department, Ontario, California, seized $1,393,945.00 U. S. currency, as drug proceeds from ALBERT HUGH DODD at the Rodeway Inn . . .

On December 19, 1989, DEA Special Agent Thomas Lenox debriefed a reliable, confidential informant(reference Section III D, paragraph 1(d)) who told him that one of FLORES' couriers had approximately two million dollars in U.S. currency seized from him somewhere in California, sometime within the last one or two months. The court authorized pen registers have recorded several calls from FLORES' residence telephone and from the telephone at Vista Remodeling, FLORES' business, to telephone number (915) 859-5304, which Southwestern Bell Telephone Company shows as subscribed to: ALBERT HUGH DODD, 8401 Waterfall, El Paso, Texas.

D. Information from Reliable Confidential Sources

1.) From August 1989, through December 1989, an individual who I shall refer to as S-1 provided information about FLORES and his illegal drug trafficking organization to DEA Special Agents Thomas Lenox and Palmira Lopez and to El Paso Police Department Narcotics Detective Juan Sanchez. S-1 is and has been a reliable confidential informant for both the El Paso, Texas, DEA and the El Paso Police Department Narcotics Unit for several years. The information and introductions provided by S-1 in the past have developed into several investigative cases which have resulted in the seizures of illegal drugs, and U.S. currency drug proceeds, and in the successful prosecution of many drug trafficking violators. Due to the drug trafficking violation cases that have been developed from S-1's information, and the corroboration of S-1's information when checked by law enforcement agencies in the past, both the DEA and the El Paso Police Department Narcotics Unit consider the information provided by S-1 to be reliable and correct. S-1 has provided the following information concerning the drug trafficking activities of FLORES and his organization:

a. FLORES lives at 12112 Citation, El Paso, Texas, and is the owner of a business called Vista Remodeling, located at 11840 Diamond Head, El Paso,Texas.

b. FLORES is the head of a large scale drug trafficking organization based in El Paso, Texas, which is distributing multi-ton quantities of marijuana and hundred kilogram quantities of cocaine per month.

c. FLORES distributes his drugs to buyers in Texas, California, Oregon, and Colorado. FLORES purchases his marijuana from the GILBERTO ONTIVEROS organization and purchases his cocaine from the SANTAMARIA organization. JOSE SANTAMARIA and the recently murdered ENRIQUE SANTAMARIA are part of the SANTAMARIA organization (Reference Section III, C paragraphs 2(h) and (j)).

d. JOE RENTERIA is FLORES' connection to the buyers in California. One of FLORES' couriers had about two million dollars in U.S. currency seized from him somewhere in California in November

or early December of 1989. The money seized was proceeds from FLORES' drug trafficking activities (Reference Section III, C paragraphs 2(d)(k))..

e. Prior to his arrest, LUIS ROYBAL was FLORES' right hand man in his drug transactions. The ten kilograms of cocaine that were seized when ROYBAL and GEORGE ENRIQUEZ were arrested belonged to FLORES (Reference Section III C, paragraph 2(h).

f. ROYBAL claimed to be the driver who delivered the fifty kilograms of cocaine to the residence of GEORGE ENRIQUEZ, 940 Agua Prieta, El Paso, Texas, on August 8, 1989. The 50 kilograms of cocaine that were seized which resulted in the arrests of JOSE A. AYALA, DAVID C. TAYLOR, and JESUS MONCADA belonged to FLORES (Reference Section III C, paragraph 2(g)).

g. FLORES has many close criminal associates who assist him in his daily drug activities, including: Attorneys DANNY ANCHONDO, and MIKE VILLALBA; and JOEL HERNANDEZ, STEVE VALDEZ, GERMAIN ORTIZ, IGNACIO BARRAGAN, JOE RENTERIA, and RAUL CHACON.

h. FLORES conducts almost all of his illegal drug business utilizing telephones.

i. Approximately two months after the fifty kilogram cocaine seizure when JESUS MONCADA was arrested (paragraph f above) a Texas State District Court Judge signed an order to monitor FLORES' telephones; the judge notified El Paso Atorney MIKE VILLALBA hours after signing the order. MIKE VILLALBA in turn notified FLORES that his telephones were being monitored by Texas State DPS Narcotics (Reference Section III, F).

S-l is currently in a position to continue providing information about the illegal drug trafficking activities of FLORES and his organization, primarily from the standpoint of modus operandi. S-1 will also be able to help in the identification of subjects as this investigation continues. Because of S-l's involvement in related cases which have

resulted in the arrests of defendants and the seizure of drugs and drug proceeds, S-1 is no longer in a position to introduce undercover agents to FLORES or his associates or to locate drug storage locations when they are being used by the FLORES organization and contain illegal drugs. Further, to have S-1 infiltrate FLORES' drug trafficking organization at this time would put S-1 in a life threatening situation that would be too dangerous and an unreasonable risk.

2.) In December 1989, an individual who I shall refer to as S-2 began providing information about illegal drug trafficking to Special Agents of the DEA in El Paso, Texas. From the information S-2 has provided, the DEA has initiated two investigative cases on drug trafficking organizations based in El Paso, Texas. In one of the investigative cases S-2 has introduced undercover agents to drug traffickers and the subsequent negotiations have resulted in the acquisition of drug evidence. It is anticipated that both investigative cases will result in significant drug seizures and in the arrest of several drug traffickers. The information provided by S-2 has been checked and corroborated by DEA agents and in all cases the information from S-2 has proven to be true and correct. For these reasons, I believe the information provided by S-2 to be reliable and correct. S-2 has provided the following information concerning the drug trafficking activities of FLORES and his organization:

a. JUAN LOZOYA is a member of FLORES' drug trafficking organization. LOZOYA will find customers for FLORES' illegal drugs and will act as a middleman or buffer during the negotiations and the transaction. LOZOYA will meet with buyers and eventually arrange for delivery of the drugs. However, FLORES will make all the decisions. FLORES does not meet the customers.

b. LOZOYA, through FLORES, has the capability of arranging cocaine transactions from between ten and one hundred kilograms of cocaine at a time. LOZOYA is in constant contact with FLORES, calling him or meeting with him four to five times a day regarding drug transactions.

c. LOZOYA carries a portable cellular telephone and calls

FLORES at his residence on Citation, at his business, "Vista Remodeling" and on FLORES' cellular telephone when arranging the drug transactions. LOZOYA has told S-2 in the past that he needed to go to Vista Remodeling to talk to FLORES regarding a drug deal.

d. S-2 has heard LOZOYA, on the telephone, arranging drug transactions with FLORES. When FLORES or members of his organization are talking about drug transactions on the telephone, they will use code words when referring to cocaine, marijuana, the quantity of drugs needed, or the quantity to which the organization has access. Many of the code words will be terminology used in construction or for construction materials. S-2 has also heard them use "Kikos" meaning kilograms, "libretus" meaning pounds, the phrase "I have an invitation to the party for you," meaning I have a sample of cocaine for you, and they will often refer to samples as the "small gift." The members of the organization will sometimes try to minimize or use multiple code words when talking on cellular telephones because they know that police scanners can be used to monitor cellular telephone conversations.

e. S-2 said that when LOZOYA needs to meet with FLORES, they meet at Vista Remodeling, the Costa Brava Restaurant, the Ay Cocula Restaurant, or at convenience stores. S-2 believes that LOZOYA conducts the cocaine for money transactions in hotel rooms at various hotels throughout the El Paso, Texas, area.

f. SANTIAGO SAHAGUN-MENDEZ is the head of a cocaine and marijuana smuggling organization that imports drugs into the United States from Mexico and transports money back into Mexico. SANTIAGO SAHAGUN-MENDEZ hires out his organization to any illegal drug traffickers who need drugs or money smuggled. SANTIAGO SAHAGUN-MENDEZ coordinates his smuggling activities on the mobile cellular telephone that he carries. S-2 has seen SANTIAGO SAHAGUN-MENDEZ at the Costa Brava Restaurant on several occasions. SAHAGUN-MENDEZ's brother, JOSE LUIS SAHAGUN, was convicted by a jury for delivery of 9 kilograms on cocaine on May 18, 1989.

g. When talking to FLORES and when negotiating his drug

transactions, LOZOYA uses two mobile cellular telephones: telephone number (915) 525-6571 and (915) 525—5097.

h. S-2 identified other members of the FLORES drug trafficking organization as: (1) RICARDO (LNU) AKA: "EL ENGINERO"; (2) STEVE (LNU); and (3) PETE (LNU). PETE (LNU) sells cocaine for FLORES and works at Dove Motors in El Paso, Texas, (Reference Section III C, paragraph 8).

S-2 will continue to provide DEA Special Agents with information about the illegal drug trafficking activities of JUAN LQZOYA and his criminal associates including FLORES. S-2 may be able to introduce an undercover DEA agent to LOZOYA to negotiate for a cocaine delivery in the future. S-2 does not know FLORES personally and has only met FLORES on a couple of occasions when he/she was with LOZOYA. FLORES will not talk to S-2 nor will he talk to LOZOYA about drug transaction in S-2's presence. According to S-2, if an undercover agent were to negotiate with and purchase cocaine from LOZOYA, the undercover agent would never meet FLORES. Further, to have S-2 attempt to infiltrate FLORES' drug trafficking organization would be out of character for S-2 and would put S-2 in a life threatening situation that would be too dangerous and an unreasonable risk. Also, to arrange an undercover cocaine purchase from LOZOYA, even if it resulted in the arrest of FLORES would not accomplish the goals of this investigation in that it would neither identify nor provide prosecutable evidence of FLORES' drug sources and customers nor would it neutralize FLORES' drug trafficking organization in that the vast majority of the organization's members would not be identified and would inevitably continue trafficking in illegal drugs.

3.) On February 27, 1990, an individual, who I shall refer to as S-3, began providing information about the illegal drug trafficking activities of JAMES and MIGUEL TERRAZAS and their associates in El Paso, Texas. On March 14, 1990 MIGUEL TERRAZAS, CHAD FALCO, JOEL REGAN and ROSEMARIE COOM were arrested after they delivered two kilograms of cocaine to DEA undercover agents in El Paso, Texas. In review of the investigative case file, I discovered that

all of the information that S-3 provided prior to this seizure about MIGUEL TERRAZAS was true and correct. Due to this and the corroboration of the rest of 5-3's information, as detailed in the body of this affidavit, I believe that the information provided by S-3 is reliable and correct. During interviews with DEA Special Agents, S-3 provided the following information about FLORES and his illegal drug trafficking organization.

a. JAMES and MIGUEL TERRAZAS are brothers living in El Paso, Texas, who work as middlemen for a much larger illegal drug trafficking organization that is headed by FLORES. FLORES, through his organization, distributes large quantities of cocaine and marijuana. FLORES and his partner, TONY SOLO, own the Costa Brava Restaurant in El Paso, Texas, which is a . . ."

[End of Excerpts]

[See TAOP at App. 147, ¶ 100; App. 914, ¶ 10, Frost's Affidavit]

EXCERPTS FROM INTERVIEW
OF DEBRA RASMUSSON
AUGUST 23, 1990 AT APPROX. 1:00 P.M.
DATE PREPARED: AUGUST 26, 1990
DEA-6/FILE NO M7-90-Z002

"2. On August 23, 1990, at approximately 1:00 PM, Special Agent Steven E. Perkins and Intelligence Analyst Eli Chavez went to RASMARK JET CHARTER, INC., located at 6825 Convair Road, El Paso, Texas, and interviewed Debra RASMUSSON, the Vice-president manager of RASMARK JET CHARTER, INC., regarding the return on Subpoena #M7-90-512. Debra RASMUSSON introduced herself as the wife of Mark RASMUSSON, the owner and president of RASMARK JET CHARTER, INC. Debra RASMUSSON said that of the nine names listed on the Subpoena, she was only familiar with: Jesus A. Flores, Vista Remodeling, Joe Peake, and Pete SEAVERNS. She went on to say that Pete SEAVERNS was a personal friend of her and her husband whom they had known for approximately three years. She further stated that they had purchased three personal car, and a Cadillac for their RASMARK company car. According to Debra RASMUSSON, she and her husband were good friends with Pete SEAVERNS and his wife.

3. Debra RASMUSSON said that she had known that DEA agents would be coming to talk to her ever since she read about Jesus FLORES' arrest on drug trafficking charges in the newspaper. When asked if she knew that FLORES was a drug trafficker, Debra RASSMUSON said no, she thought that Jesus FLORES was a "hit man" because they flew him all over the country, he paid in cash and he seldom took any luggage with him. Debra RASMUSSON went on to say that they never transported freight for FLORES and he always paid in cash, usually in denominations of $50.00 bills. She also said that they had never flown FLORES into Mexico and that on several occasions FLORES had called her, scheduled a chartered jet flight, but

when the flight was ready, Joe PEAKE or someone else would show up to take the flight instead of Jesus FLORES. According to Debra RASMUSSON, Jesus FLORES had paid her, in cash for flights, and sometimes Joe PEAKE would pay her in cash for flights chartered by FLORES.

4. When asked about the flights that Jesus FLORES had chartered, Debra RASMUSSON said that FLORES had chartered the following: (1) One flight to Tucson, Arizona; (2) two flights to Orlando, Florida; and, (3) two flights to Los Angeles, California. When asked who went on the flights, Debra RASMUSSON said that she recalled Jesus FLORES on one of the flights to Los Angeles and Joe PEAKE, a young Hispanic male with a portable CD player, and at least one other Hispanic male on flight to Miami, Florida. She remembered the young man with the CD player with Joe PEAKE in the office, and she saw the other Hispanic male who was going on the flight walking back and forth in front of the office window. Debra RASMUSSON said that she did not know who was on the other flights that Jesus FLORES chartered; however, that information may be on the invoices or the pilot's flight logs.

5. When asked about the information requested on the Subpoena, Debra RASMUSSON said that there was a problem. She did not have the records ready and the records were at her house and not in the RASMARK office. Debra RASMUSSON also said that on one of the last flights to Florida that Jesus FLORES chartered, FLORES had requested to see his file. Debra RASMUSSON said that she put the file on the desk for Jesus FLORES to review and has not seen the file since. Acccording to Debra RASMUSSON, she thought that either Jesus FLORES or the young male with the CD player took the file and never returned it. Debra RASMUSSON said that Jesus FLORES still owed them some money for his chartered flights but she did not know how much. She said that when she found out that FLORES had been arrested on drug charges, she thought that he would come in and pay her when he got out on bond. When FLORES did not come back in and pay, she spoke with her accountant and said that they were going to write the money owed by FLORES off as a loss. When asked how she could write off a loss on an unknown amount of money, Debra

RASMUSSON said that she had the invoices, manifests, and billing sheets at home concerning FLORES chartered flights, and that she could find out exactly how much money FLORES owed them. She went on to say that the documents in the missing FLORES file were only copies and that she had the originals at home.

6. In response to the agents' questions about who went on the three flights that FLORES chartered to Florida, Debra RASMUSSON said that there we only two flights to Florida and that she did not know who was on them because she was on vacation in Colorada when the flights left and returned. When reminded that she had told the agents about two flights to Orlando and one flight to Miami, Florida, Debra RASMUSSON stated that she did not know if there were two or three flights to Florida because she had been on vacation at the time. When reminded about the flight to Miami, Florida, with Joe PEAKE, the young male with the CD player and the other Hispanic male she saw outside the office window, Debra RASMUSSON said that she was not sure if she had been there or not. When reminded about the file she thought that FLORES or the young male with the CD player took and did not return, Debra RASMUSSON said she was there when the flight left but she was out of town when the flight returned. When reminded that Pete SEAVERNS had spoken to her while waiting for the flight to return, and that Pete SEAVERNS had picked up both PEAKE and the male with the CD player, Debra RASMUSSON said that she did remember being there when the flight returned and Pete SEAVERNS did pick up Joe PEAKE and the young male with the CD player.

7. When the agents asked for the subpoenaed records and to talk to Mark RASMUSSON, Debra RASMUSSON said that Mark RASMUSSON was with Pete SEAVERNS but "it was okay" because they were just making the title arrangements so the RASMUSSONs could buy Joe SEAVERNS' house. She went on to say that Joe SEAVERNS was selling DOVE MOTORS and was selling them his house for a great price because Joe SEAVERNS was going to leave El Paso. Debra RASMUSSON then said that there were not many records on FLORES' chartered flights because the file was missing. When the agents reminded Debra RASMUSSON that she had stated the only documents in FLORES' missing folder were copies. Debra

RASMUSSON said that she would give the agents invoices, manifests, billing sheets, bank money deposits and refueling bills for all of Jesus FLORES' flights. When the agents told Debra RASMUSSON that there were chartered jet flights into Mexico, she said that she would research the Mexico flights and provide the agents with everything on those flights as well.

8. Arrangements were made for a meeting at 3:30 PM on that same date with Debra and Mark RASMUSSON, the pilots of the flights and the agents at the RASMARK JET CHARTER SERVICE office. Debra RASMUSSON said that she would bring the subpoenaed documents and information to the meeting. The agents then departed the RASMARK office.

[End of Excerpts]

[See TAOP at App. 147, ¶100; App. 916, ¶ 16, Frost's Affidavit]

EXCERPTS FROM INTERVIEW OF MARK AND DEBRA RASMUSSON AND RASMARK PILOT JERRY BURNETT AUGUST 23, 1990 DATE PREPARED: SEPTEMBER 17, 1990 DEA-6 FILE NO M7-90-Z002

"2. On August 23, 1990, at approximately 3:35 PM, Special Agent Steven E. Perkins and DEA Intelligence Analyst Elias Chavez went to RASMARK JET CHARTER INC., located at 6825 Convair Road, El Paso, Texas, and interviewed Jerry Burnett, Patrick Moulsh, Mark and Debra RASMUSSON. For details concerning the establishing of this meeting and the previous statements of Debra RASMUSSON, reference is made to DEA-6 under this case file title and number by Special Agent Steven E. Perkins dated August 26, 1990, Report Re: Interview of Debra RASMUSSON on August 23, 1990.

3. During the first part of the interview, RASMARK pilot Jerry Burnett and RASMARK co-pilot Patrick Mlosch told the agents about three RASMARK charters that they flew for Jesus FLORES, as follows:

a.. June 9, 1990 - flight with seven or eight passengers from El Paso, Texas, to Orlando, Florida, and return to El Paso with no passengers.

b. June 10, 1990 - flight with seven passengers from El Paso, Texas, to Orlando, Florida, and layover. The next day flight with eight passengers from Orlando, Florida, to Miami, Florida, and return to El Paso, Texas, with one passenger, Joseph PEAKE.

c. June 12, 1990 - flight with three or four passengers from El Paso, Texas, to Miami, Florida, and layover. The next day flight from Miami, Florida, back to El Paso, Texas, with two passengers, including Joseph PEAKE.

Then Mr. Burnett told the agents about another RASMARK charter he flew for Jesus FLORES as follows:

d. February or April, 1990 - flight with four passengers, one of whom was Jesus FLORES, from El Paso, Texas, to Obregon, Mexico. Continued flight with six or seven passengers including FLORES, from Obregon to Matamoros, Mexico. Continued flight with three passengers, including FLORES, from Matamoros, Mexico, back to El Paso, Texas.

Mr. Burnett also mentioned that he thought he flew some of FLORES' people to Cancun, Mexico. (Note: For details concerning the four above referenced flights, reference is made to DEA-6 under this file title and number dated September 7, 1990, by Special Agent Steven E. Perkins, Report Re: Interview of RASMARK Pilot Jerry L. Burnett.) Mr. Burnett said that he had heard that FLORES was going to buy a Lear 36 jet.

4. Debra RASMUSSON told the agents that she had checked at home and only found the pilot duty time log sheets for the three Florida trips, copies of which she provided to the agents. Debra said that she could not find anything on the Los Angeles trips and that she did not know about the Mexico trip. She said that in order to find the paperwork concerning any of FLORES' flights, the agents would have to provide her with the dates and destinations of the flights. Debra went on to say that with the Jesus FLORES/VISTA REMODELING file missing, she would have a hard time finding any paperwork on the flights. All of the documents concerning FLORES' flights were gone because all of the paperwork was in the missing file. When reminded that she had told the agents that the documents in the missing file were only copies and that she still had the originals at home, Debra said that all documents relating to FLORES' flights were in the Jesus FLORES/VISTA REMODELING file, and with the file missing, all the documents concerning FLORES' flights were gone.

5. When asked how she handled the paperwork concerning chartered flights, Debra stated the following:

a. When the flight was chartered, a trip sheet was made up.

b. When the flight was taken, all invoice was made

c. The trip sheet, invoice, and all other documents relative to the flight were attached and put into the client file.

d. When payment was made, the invoice was marked paid and put back into the client file, and the payment was deposited in the bank.

e. The client was provided a copy of the invoice.

f. At the end of the month she would go through the files, add up the paid and unpaid invoice information, and turn the information over to her account, Albert Apodaca, who would do the monthly reports.

6. Debra RASMUSSON said tht in FLORES' case, either he would pay in cash or he wuld send over someone with cash to pay his invoices. At FLORES' request, she would leave all copies of the invoicer in the file; FLORES did not want his copy. When FLORES or one of his people took the file, all of the documents were lost. Debra went on to say that she remembered receiving $18,000.00 cash on FLORES' account, and that Joe PEAKE brought in the cash to pay for one of FLORES' Los Angeles trips. According to Debra, they "got burned" and FLORES still owes on some of the Florida trips. She also said that she still thought that there were only two Florida trips. When asked, Debra said that she handled the books and the financial transaction and therefore should know about all flights, payments, and accounts. However, Debra said that this was the first she had heard of any flights for FLORES into Mexico.

7. When the agents asked about ledgers or files such as: accounts receivable, accounts payable, expenses, repairs, general ledgers, bank deposit ledgers, or late payment records, Debra said that there were no other records and that she just kept everything in the client files. Debra also said that she did not keep two sets of books and that she did not keep a set of records at home; everything was in the files at RASMARK which she kept locked. According to Debra, she

and Mark were the only ones with keys to the files. The agents said that it seemed strange that a business could operate with no records other than what was in the client files and if the files were lost there would be no records at all and the business would have no supporting documents as to who owed them money, at that point Mark RASMUSSON aggressively stated, "Are you trying to tell me how to run my business?"

8. The agents told Mark RASMUSSON that they were just trying to find any and all records relative Jesus FLORES. Mark said that FLORES was just another customer who chartered flights and all the records concerning FLORES' flights were missing. When asked, Mark said that no other files were missing, and that they generally did not lose files. In answer to the agents' questions, Mark said that FLORES was about their only customer who paid in cash and that he had never flown FLORES anywhere. Mark said that he did not have a personal relationship with FLORES and that FLORES was just another client. When asked if on June 12, 1990, Mark had flown a flight for FLORES, Mark responded no. When asked again, Mark said that he flew a Hispanic male, his wife, and a child to Phoenix, Arizona, for FLORES. Mark said there was no paperwork done that flight because it was just "a one hour hop." When asked how much a one hour hop would cost, Mark said maybe $2,000.00 at the most. When asked if it was not worth billing or invoicing a $2,000.00 flight, Mark said yes. When ask if he did $2,000.00 complimentary flights for others of his customers, Mark did not reply. When asked if he had ever received any cash from FLORES, Mark said that Debra handled the money. W hen asked if he made arrangements with FLORES for payment and/or received approximately $11,500.00 cash from FLORES or one of FLORES' people to pay for flights to Mexico and Los Angeles, California, on May 26, 1990, Mark said that he and his wife took a vacation to Cancun and Belieze. According to Mark, they did not return to El Paso until late on May 27, 1990, and were not even in town on May 26, 1990.

9. In response to the agents' questions, Mark RASMUSSON said that when he needed to contact FLORES for payment, he would call him at (915) 525-8408 or on beeper (915) 599-4364. Mark said that FLORES was not dependable and would call him and charter flights that

he would not show up to take, or FLORES would charter the flights and send other people to take the flight without FLORES. He also said that FLORES would call and make arrangements to make payment and not show up, or FLORES would send someone else to make the payment a couple of days later. Mark went on to say that he had been to FLORES' big house in East El Paso once when he went there to collect the money FLORES owed for chartered flights. When asked, Mark said that FLORES did not own any airplanes. When asked if FLORES had a small propeller driven airplane like a Cessna, Mark said as far as he knew, FLORES did not have any airplanes and that is why FLORES chartered flights through them. Mark said as far as he knew, FLORES was in the construction business and must be very successful at it. Mark and Debra both said that they had no records of FLORES' flights; however, they would try to reconstruct the paperwork for the flights that FLORES took. The agents instructed the Rasmussons to mark any reconstructed paperwork as reconstructed so there would be no question later about the documents origin.

[End of Excerpts]

[See TAOP at App. 160, ¶ 145; App. 918, ¶ 21, Frost's Affidavit]]

EXCERPTS FROM RETURN ON SUBPOENA #M7-90-525 TO APODACA, JENSEN AND COMPANY AND INTERVIEW OF ALBERT APODACA AUGUST 28, 1990 DATE PREPARED: SEPTEMBER 13, 1990

Details:

1. Reference is made to all DEA-6's written under this file number and title as they relate to RASMARK JET CHARTER INC., Mark RASMUSSON, and Debra RASMUSSON.

2. On August 28, 1990, Special Agent Steven E. Perkins and Intelligence Analyst Elias Chavez went to Apodaca, Jensen and Company, located at 800 E. Wyoming, Suite A, El Paso, Texas with Subpoena #M7-90-525 and interviewed Albert J. Apodaca and Keven L. Jensen. Mr. Jensen told the agents that they had held a partners meeting on August 27,1990, concerning potential problems with the RASMARK account. Mr. Jensen said that Albert Apodaca was the person most familiar with the RASMARK account and with Mark and Debra RASMUSSON. According to both Mr. Jensen and Mr. Apodaca, Mark RASMUSSON came to their RASMUSSON came to their office in the afternoon of August 27, 1990, and talked with them about amending his May 1990 monthly report to include an $11,000.00 cash transaction. Mark was advised that the monthly report could be amended only with the amended report attached to the original report and an explanation of the correction included. Mark asked if he should reconstruct invoices to match the amounts that the Government agents knew about. Mark was advised to report all transaction accurately and correctly. Mark told Apodaca, Jensen and Company, just to protect themselves, they should not release any information about RASMARK without a subpoena or court order. Mr. Apodaca and Mr. Jensen were alarmed by Mark RASMUSSON's actions and statements causing them to feel that there may be a problem with the RASMARK account.

3. In response to the agents' questions, Mr. Apodaca said that he handled the RASMARK account which entailed the following: (1) preparing income tax returns for RASMARK JET CHARTER INC., Mark and Debra RASMUSSON; (2) preparing monthly compilation reports for RASMARK using information and figures provided by Mark and Debra RASMUSSON; and (3) preparing an annual financial review of RASMARK for the bank which holds the lien on one of RASMARK's jets. Mr. Apodaca said that in the annual financial review, which is signed by Mark and Debra RASMUSSON, they reported: no cash accepted, strictly check or credit cards. He went on to say that if there were cash transactions, they should have been reported to him and he would have known about it. According to Mr. Apodaca, prior to about August 23, 1990, he knew of no cash transactions received by RASMARK.Mr. Apodaca said that he was relatively familiar with RASMARK'S files and major accounts, AND that he had never heard of Jesus FLORES or VISTA REMODELING. He also said that prior to August 23, 1990, he had not heard of any missing account file. On about August 23, 1990, Mr. Apodaca went to RASMARK to gather information for the monthly report. At that time Debra RASMUSSON talked to Mr. Apodaca about cash transactions with no invoices and basically taking cash under the table. Mr. Apodaca said that this was the first time he had any knowledge of any cash transactions concerning RASMARK. Debra showed Mr. Apodaca a subpoena from the DEA and asked about writing off unpaid debts. Mr. Apodaca informed Debra that they could not write off a bad debt if they did not have any record of the transactions. Mr. Apodaca told Mr. Jensen about his conversation with Debra RASMUSSON, where they believed that she was talking about a relatively minor cash transaction, they decided to wait and hear more from the RASMUSSON later. Their next contact was with Mark RASMUSSON on August 27, 1990, when he came to their office (as detailed in paragraph 2 above).

4. In response to Subpoena #M7-90-525, Apodaca Jensen and Company provided the agents with copies of numerous documents regarding RASMARK JET CHARTER INC., Mark and Debra RASMUSSON, as follows:

a. Monthly compilation reports.

b. Financial information for financing proposal.

c. Bank statements and deposit records.

d. Ledger sheets.

e. Income tax statements.

f. Accounts payable and receivable information.

g. Investment reports.

h. Annual financial review.

The above listed items are herein submitted to the file. Analysis of the documents revealed that all deposits appeared to be checks (no cash deposits were found), primarily from major accounts, generally corporation. It should be noted that no record was found of Jesus FLORES or VISTA REMODELING.

[End of Excerpts]

[See TAOP at App. 159, ¶ 141; App. 917, ¶ 18, Frost's Affidavit]]

EXCERPTS FROM INTERVIEW OF
JERRY L. BURNETT AUGUST 26, 1990
DATE PREPARED: SEPTEMBER 7, 1990
DEA-6/FILE NO M7-90-Z002

DETAILS:

2. On August 26, 1990, at approximately 3:40 PM, Special Agent Steven E. Perkins and INS Special Agent Socorro G. Simmons met with and interviewed Jerry L. Burnett. Mr. Burnett is a pilot working for RASMARK JET CHARTER INC., which is owned and managed by Mark and Debra RASMUSSON. During the the interview, Mr. Burnett told the agents about flights he had flown for RASMARK, transporting Jesus FLORES and/or his people as follows:

A) El Paso, Texas, to Obregon, Mexico, on to Matamoros, Mexico, and back to El Paso, Texas, sometime in February of 1990.

B) El Paso, Texas, to Cancun, Mexico, and return to El Paso, Texas, in May of 1990.

C) El Paso, Texas, to Cancun, Mexico, and return to El Paso, Texas, in May of 1990.

D) El Paso, Texas, to Orlando, Florida, and return to El Paso, Texas, in June of 1990.

E) El Paso, Texas, to Orlando, Florida, the next day on to Miami, Florida, and return to El Paso, Texas, the next day, in June of 1990.

F) El Paso, Texas, to Baton Rouge, Louisiana, for refuel and on to Miami, Florida. The next day back to Baton Rouge, Louisiana, for refuel and back to El Paso, Texas, in June of 1990.

Mr. Burnett went on to say that he knew he had flown FLORES and his

people, for RASMARK, on other occasions and to other destinations. He remembered trips to other locations within the United States; however, he could not remember the details of the flights. Further, Mr. Burnett said that he knew that Jim Young, one of the other pilots for RASMARK, had flown FLORES and/or his people on several trips.

3. Mr. Burnett said that he first met Jesus FLORES in February of 1990 when he flew FLORES and three other passengers from El Paso, Texas, to Obregon, Mexico, for RASMARK. FLORES and the other passengers stayed at the airport in Obregon and after a while they were met there by approximately a dozen people. FLORES then told Mr. Burnett that he wanted Mr. Burnett to fly them to Matamoros, Mexico. Mr. Burnett told FLORES that he did not have the American or Mexican clearances for a trip from Obregon to Matamoros, Mexico. FLORES said that he would pay the mordida, arrange the catering and get the clearances necessary. Mr. Burnett stated that they left one of the original four passengers in Obregon, Mexico. FLORES, two of the other original passengers, and three new passengers got on the airplane and Mr. Burnett flew them to Matamoros, Mexico. According to Mr. Burnett, the three new passengers brought onboard four rfles and each was wearing a visible handgun on their side. Mr. Burnett said that the handguns had fancy grips and he thought that they were .45 caliber semiautomatic pistols. FLORES told Mr. Burnett that he was in the shrimp business and was making arrangements to import shrimp. According to Mr. Burnett, when the airplane landed in Matamoros, Mexico, it was met by several members of the Mexican Customs. When his passengers deplaned, they met, shook hands, and hugged the Mexican Customs officers. Mr. Burnett said that he believed that the three passengers he picked up in Obregon, Mexico, were Mexican law enforcement of some kind. After a while, FLORES and the other two original passengers got back on the airplane, with catering, and they flew back to El Paso, Texas.

4. Upon their arrival in El Paso, Texas, they were stopped and checked by U.S. Customs who detained them for about three hours. Mr. Burnett said that one of the items on the catering tray turned out to be sea turtle eggs, which are illegal to bring into the United States. (Note: U.S. Customs identified the three passengers as: Jesus A. FLORES,

Jesus MONCADA, and Juan Carlos LOZOYA.) Mr. Burnett said that from the peculiar events of this flight, the way that FLORES and the other passengers acted, and the way FLORES dealt with the Mexican and United States Customs, he knew that FLORES was in the illegal drug business. Mr. Burnett went on to say that after returning from this flight, he went to Mark and Debra RASMUSSON and asked who FLORES was and what he did. Through his conversation with the RASMUSSONs, they all concluded that FLORES was in the illegal drug business. Mr. Burnett said that from February through July of 1990, he had several conversations with the RASMUSSONs about FLORES and his people being in the drug business. Mr. Burnett said that both Mark and Debra RASMUSSON told him that they knew that FLORES and his people were in the drug business. The RASMUSSONs told Mr. Burnett that even though FLORES was a dope dealer, they would fly him wherever he wanted to go, just be careful not to haul illegal drugs.

5. When asked about other trips he had flown for RASMARK that Jesus FLORES had chartered, Mr. Burnett said that some time in May of 1990, he as pilot, and Mark McCallister as co-pilot, flew a man and wife to Cancun, Mexico. The man was one of the two passengers who had returned from Matamoros, Mexico, with FLORES on the trip detailed above. Mr. Burnett said they dropped off the couple in Cancun and flew back to El Paso with no passengers. Approximately one week later, he flew to Cancun with the same co-pilot, picked up the same couple and flew them to Ciudad Juarez, Mexico. Mr. Burnett said that the couple had substantial baggage. He went on to say that he could recognize the male passenger if he saw him again. According to Mr. Burnett, he saw the same male with FLORES when FLORES was making arrangements for the Florida trips and on a few other occasions. When asked why Mark and Debra RASMUSSON had not mentioned these trips, Mr. Burnett said that these trips were made in violation of FAA regulations. He went on to say that the RASMUSSONs would not want anyone to know about these trips and that he thought the trips were made in jet 7GP.

6. Regarding three Florida trips that FLORES chartered, Mr. Burnett said that the first trip was scheduled for two jets to take 12 to 15

people to Orlando, Florida. The flights were chartered by Jesus FLORES and the arrangements were made by David Chavez through Debra and Mark RASMUSSON who were in Vail, Colorado, at the time. Mr. Burnett was flying the RASMARK jets for FLORES and not for RASMARK because he had quit RASMARK over an argument with the RASMUSSONs about flights not complying with FAA regulations. Mr. Burnett and co-pilot Pat Moulsh were to fly 821AW and pilot Jim Young and another co-pilot were to fly the rest of the passengers in another RASMARK jet. Mr. Burnett said that he heard later that the second jet scheduled for that day was canceled, and Mr. Young did not fly to Orlando. Mr. Burnett spoke briefly with FLORES prior to departing on the first trip, and it was agreed that FLORES would pay Mr. Burnett $300.00 for flying the trip. Mr. Burnett told FLORES that 12 to 15 passengers was too many for one jet, so they would have to split the passengers up and take two jets. According to Mr. Burnett, FLORES was at RASMARK with Arturo BERMUDEZ and one of the people he had transported with FLORES on the Obregon/Matamoros trip (as detailed in paragraph 3 of this report).

7. Mr. Burnett said on the first trip to Florida he transported Joe PEAKE and seven other passengers from El Paso, Texas, to Orlando Executive Airport. The flight left El Paso at approximately 6:00 PM on a Saturday in June of 1990 and took about three hours, in RASMARK Lear Jet 821AW. According to Mr. Burnett, he left all of the passengers at the Orlando Executive Airport, refueled the airplan, and returned to El Paso with no passengers. During the flight to Florida, Joe PEAKE showed great concern over the possibility of landing at an International Airport. PEAKE conversed with the other passengers and wanted to land at a smaller public airport where thre were no U.S. Customs or Immigration inspectors or agents. Mr. Burnett said that PEAKE appeared to be taking care of the other passengers. Mr. Burnett got the impression that the passengers, other than PEAKE were from Colombia. According to Mr. Burnett, the other passengers all spoke Spanish; however, not border Spanish. During the flight, the passengers wanted to listen to a radio station from Colombia and one of the passengers listed to the radio station's name announcement and verified that it was from Bogota, Colombia. Mr. Burnett got the impression that at least one of the passengers was from Bogota, Colombia. Mr. Burnett went

on to say that he thought that his passengers were Colombian illegal drug load drivers who were getting out of town, to return to Colombia, and who did not want to encounter U.S. Customs or Immigration officials.

8. The next day Mr. Burnett flew the same jet, with the same co-pilot, from El Paso to Orlando Executive Airport for Jesus FLORES. Mr. Burnett said that while he was preparing the jet for the trip, he spoke with FLORES who was accompanied by Arturo BERMUDEZ and the same other individual that he recognized from the previous trip. FLORES told Mr. Burnett that this would be same type flight as before, and that Joe PEAKE would meet him at the airport when he landed. Mr. Burnett said that when the passengers arrived, six Hispanic males, each with an overnight bag, walked directly to and got into the RASMARK chartered jet. According to Mr. Burnett, it was a hot day and it was even hotter inside the jet. He told the passengers that the flight would not be departing for 10 or 15 minutes and that the passengers could wait in the airplane hangar or office area where it was cooler if they wanted. All of the passengers chose to wait inside the jet. Mr. Burnett said that he thought said that he thought the passengers were illegal drug load drivers and that they wanted to stay inside the jet so they would not be seen. According to Mr. Burnett, he took off at approximately 6:00 PM and flew the passengers direct from El Paso to Orlando Executive Airport in Florida.

9. Upon their arrival at the Orlando Executive Airport, Joe PEAKE met the flight and greeted the passengers as they got off the airplane. It was obvious to Mr. Burnett that PEAKE and the passengers knew each other. At Joe PEAKE's request, Mr. Burnett and his co-pilot agreed to stay overnight in Orlando so they could fly the two loads of passengers to Miami, Florida, the next day. While the pilots serviced the jets, PEAKE took the passengers in taxicabs to a hotel. PEAKE returned to the airport and took the pilots the hotel and checked them in, paying cash. The next morning, during a casual conversation, PEAKE asked Mr. Burnett if he would fly them to Colombia. Mr. Burnett said no. PEAKE told Mr. Burnett that he had taken the first load of passengers to the first load of passengers to Disney World and to MGM Studios. The next morning, during breakfast, PEAKE had several

conversations with the other passengers concerning how they wanted to get to Miami. Mr. Burnett said that the passengers could not make up their minds; however, PEAKE said that they did not want to fly into Miami International Airport and wanted to avoid contact with U.S. Customs and Immigration. Eventually a decision was made and PEAKE told Mr. Burnett that they were going to fly one load of people from Orlando to Tamiami Airport which located just outside of Miami, Florida. Mr. Burnett was told they would just fly the one trip and the first group of passengers would make other arrangements for going to Miami. Mr. Burnett said that they then returned to the Orlando Executive Airport and he flew the second load of passengers, with Joe PEAKE to the Tamiami Airport, arriving at approximately midday.

10 According to Mr. Burnett, after landing at Tamiami Airport, Joe PEAKE went with with the passengers, in the airport's Suburban driven by a female, to a hotel. The pilots remained with the jet at the airport until the Suburban brought Joe PEAKE back. They then flew Joe PEAKE, as the sole passenger, back to El Paso, Texas, arriving at approximately 2:00 PM. PEAKE told Mr. Burnett that he did not understand why the group decided to fly half of them to Miami and the other half went to Miami another way. PEAKE said that they were a bunch of wimps who could not make up their minds and that they would have been lost without him. PEAKE also told Mr. Burnett that the entire group was going to take commercial flight from Miami, Florida, to Colombia. PEAKE told Mr. Burnett that he wanted to return to El Paso that day, and that tomorrow he would be chartering another RASMARK jet to fly some more people to the same airport in Florida.

11. Regarding the third trip to Florida, Mr. Burnett said that Mark and Debra RASMUSSON were back from Vail, Colorado, and he received a call to fly a Jesus FLORES charter from El Paso, Texas, to Tamiami, Florida, that Tuesday afternoon. He was notified that he would be transporting Joe PEAKE and some other passengers. According to Mr. Burnett, he, with the same co-pilots from the two previous Florida flights, flew three passengers from El Paso to Tamiami in RASMARK's Lear 24, tail number N44CP, and that he remembered Jesus FLORES at RASMARK to see the flight off. Mr. Burnett said that the three passengers were (1) Joe PEAKE; (2) a young Hispanic male with a

portable CD player; and (3) a Hispanic male in his mid-twenties, about 6' tall, 180 pounds, wearing a Polo shirt and carrying one bag. Mr. Burnett went on to say that it appeared to him that the passenger in the Polo whirt was not one of FLORES' "regular boys" but was rather another of the individuals who was with the two groups that he had previously transported. Mr. Burnett said that according to his co-pilot, the passenger in the Polo shirt on this flight listened to the Bogota, Colombia, radio station. Mr. Burnett stayed away from asking direct pointed questions to PEAKE or the third passengers because he believed that away from asking direct pointed questions to PEAKE or the third passenger because he believed that he was transporting Colombian illegal drug transporters. Mr. Burnett flew the passengers from El Paso to Baton Rouge, Louisiana, refueled, and then flew from Baton Rouge to Tamiami Airport in Florida.

12. They landed after normal flight hours at Tamiami Airport, and one of the passengers called for a taxi. Because the airport was closed, airport security found them and took them to the main gate to meet the taxi. The passengers and pilots took the taxi to the Wilshire Hotel which is located near the airport. Mr. Burnett said that they all went into the Wilshire to get rooms. Upon finding out that the Wilshire was sold out, Joe PEAKE went upstairs to talk to some people; everyone else remained in the hotel lobby. A short time later, PEAKE returned to the lobby with one of the passengers from the previous trip. The pilots, PEAKE, and the young Hispanic male got back into a taxi and went to the Marriott Hotel. According to Mr. Burnett, they left the Hispanic male in the Polo shirt at the Wilshire Hotel. Mr. Burnett, they left the Hispanic male in the Polo shirt at the Wilshire Hotel. At the Mariott Hotel, Joe PEAKE arranged for the rooms and paid the hotel in cash. Mr. Burnett said that he and his co-pilot stayed in one room, and PEAKE and the young Hispanic male with PEAKE's portable CD player, stayed in the room across the hall. (Note: Mr. Burnett was somewhat unsure if they dropped off the third passenger that night or the next morning; and if PEAKE stayed in his hotel room with the Polo shirt passenger or the young Hispanic male.)

13. Mr. Burnett said that the next morning they all took a taxi from the Marriott Hotel to the Wilshire Hotrel and waited in the lobby

while Joe PEAKE went upstairs to talk to some people. Mr. Burnett believed that all of the other passengers from all three of the Florida flights were in the Wilshire Hotel. After approximately 15 to 30 minutes, PEAKE returned and, at PEAKE's instruction, the pilots, PEAKE, and the young male walked to a nearby mall. Mr. Burnett said that they wasted said that they wasted approximately two hours walking around the mall. According to Mr. Burnett, they were just killing time, just waiting for the two hours to pass before PEAKE returned to the hotel. During the two hours, PEAKE bragged about having a lot of money and being able to do or get anything he wanted in El Paso as long as he had a lot of money. Mr. Burnett said that PEAKE bought him a shirt while they were at the mall. After two hours, they walked back to the Wilshire Hotel and PEAKE went inside, again to talk to some people. Approximately 10 to 15 minutes later, PEAKE returned and they took a taxi to a nearby barbecue restaurant to eat. They called the airport van which took them back to the airport. At the airport, at PEAKE's request, Mr. Burnett called ahead for catering and they flew to Baton Rouge to refuel. At the Baton Rouge Airport, they picked up the catering (a $47.00 shrimp plate) and Mr. Burnett called Debra RASMUSSON and had her call Jesus FLORES and tell him when PEAKE was going to arrive in El Paso so FLORES could have someone pick PEAKE up.

14. Mr. Burnett said that after PEAKE returned from the Wilshire Hotel the last time, there was a definite change. Joe PEAKE was relaxed, he was done with what he was doing, his job was done. According to Mr. Burnett, PEAKE was done with his job and all the previous passengers that they left in Florida were flying to Colombia. Mr. Burnett said that when they landed in El Paso, he saw that the FAA inspectors were at RASMARK. Mr. Burnett told PEAKE and the young male to get out of the airplane and he dealt with the FAA inspectors.

15. Mr. Burnett said that sometime after the Florida trips, Mark RASMUSSON had told him that the passengers they had taken to Florida for Jessie FLORES were involved in the cocaine bust made by Mexican Federal Police in Villa Ahumada, Mexico. Mark RASMUSSON told Burnett that the passengers had been the pilots of the planes intercepted by Mexican Federal Police. *(On June 7, 1990,

four airplanes were seized after landing on a clandestine airstrip near Villa Ahumada, Chihuahua, Mexico, when approximately 2500 kilograms of cocaine was seized).

16. Near the end of the interview, Mr. Burnett said that Mark and Debra RASMUSSON were not being truthful with the agents, He said that the RASMUSSONs were scared to death that the truth would come out including IRS and FAA violations. According to Mr. Burnett, the RASMUSSONs knew that Jesus FLORES was an illegal drug trafficker. Further, where FLORES was paying in cash and the cash could not be traced to the RASMUSSONs, they were taking the cash under the table and not claiming the money on their taxes or on their business records. Mr. Burnett said that the RASMUSSONs did not keep any records of the flights they made or arranged for Jesus FLORES and that he did know exactly how much money the RASMUSSONs had pocketed from FLORES; however, he knew it was in excess of $50,000.00. He further stated that the RASMUSSONs had not filed the IRS reports when they received in excess of $10,000.00 cash from FLORES. Mr. Burnett also said that several of the flights that the RASMUSSONs had made for FLORES were in violation of FAA regulations. The FAA violations inclujded improper Class 91 and Class 135 flights, records of flight not kept, and extended over fuel capacity flights (i.e., Cancun trips). According to Mr. Burnett, if the RASMUSSONs were guaranteed that they would not be prosecuted by any of the Federal agencies, they would probably tell the agents everything they could about Jesus FLORES and his people.

[End of Excerpts]

[See App. 344: Chavez's Affidavit]

EXCERPTS FROM DEA INTERVIEW OF DAVID CHAVEZ ON AUGUST 27, 1990 DATE PREPARED: SEPTEMBER 1, 1990 DEA-6/FILE NO M7-90-Z002

1. On August 27, 1990, Special Agent Steven E. Perkins and DEA Intelligence Analyst Elias Chavez asked for and were granted permission by Mark RASMUSSON of RASMARK JET CHARTER, INC., to interview RASMARK salesman David Chavez. On that same date at approximately 2:30 PM, the gents met with and interviewed Mr. Chavez at the Village Inn located at Airway and Montana Avenue in El Paso, Texas.

2. In response to the agents questions, Mr. Chavez said that he first met Jesus FLORES (AKA: Jesse) in March or April of 1990 at RASMARK JET CHARTER INC., when Jesse would come in to talk with Mark and Debra RASMUSSON. Mr. Chavez has the telephones forwarded to his telephone on weekends and handles the weekend flights. Mr. Chavez said that during his normal course of employment he would: (1) line up new accounts; (2) service existing accounts when they needed weekend flights; (3) quote flight rates; (4) make out flight information sheets and rate information sheets for future invoicing; (5) arrange airplanes, pilots and, on occasions, catering for flights; and (6) make bank deposits at El Paso National Bank for RASMARK JET CHARTER INC. Mr. Chavez went on to say that normally he handled cargo flights; however, passenger flights were secured by credit card or check prior to departure unless it was a charter for one of their major accounts, and a price was always quoted prior to the flights. Mr. Chavez said that the price quote range was as follows:

Cargo flight - $2.45 - $2.55 per mile.
Ambulance flights - $2.60 per mile.
Passenger flights - $2.35 - $2.50 per mile.

Mr. Chavez also said that all of the bank deposits he made were checks

and that he has never deposited cash for RASMARK. Further, he did not know of any cash deposits made by RASMARK.

3. In regard to Jesus FLORES, Mr. Chavez said that FLORES was a special account with Mark and Debra RASMUSSON and that they generally handled FLORES' flights. Mr. Chavez said that he was told by Mark and Debra RASMUSSON (1) to arrange flights for FLORES whenever he wanted to go; (2) do not quote Jesus FLORES prices; (3) FLORES did not need any form of payment (i.e., credit card or check prior to departure); (4) Mark and Debra RASMUSSON would arrange FLORES payments with him later themselves; and (5) make sure on FLORES flights that they just took passengers, not cargo or anything, and that the passengers did not take a lot of boxes or bags. Mr. Chavez went on to say, referencing passenger flights, that here on the border it was always wise to make sure that passengers did not take a lot of boxes or bags to ensure that they were not hauling contraband. Mr. Chavez said that he got to know Jesus FLORES on a friendly but casual basis and would have short conversations with him when Jesse would come in to see Mark and Debra or when Jesse would call in to talk to Mark and Debra, and Mr. Chavez would answer the telephone.

4. Mr. Chavez told the agents that he was working on the weekend of June 9, 1990, when Jesus FLORES called in for some passenger flights from El Paso to Orlando or Miami, Florida. Mr. Chavez said that he called Mark and Debra RASMUSSON in Vail, Colorado, at telephone number (303) 926-3229, and told Debra about FLORES' call. Mr. Chavez said that FLORES wanted two trips to Florida that weekend and that he gave out telephone numbers to Jesse and Debra so they could talk together about the trips. Mr. Chavez said that he was called by Debra, after she had spoken with FLORES, and was told to arrange the airplane and catering for FLORES' flights and that Jerry Burnett would fly the trip. Debra also told Mr. Chavez that she would take care of the trip sheets and paperwork and she would work out the payment for the flights with FLORES later. Mr. Chavez went on to say that FLORES wanted two jets that Saturday, but only ended up using one of the jets. He said that the second jet with FLORES' passengers left the next day, on Sunday, with Mr. Bernett as the pilot on both trips.

5. Mr. Chavez identified Jesus FLORES from some photographs that the agents had, and identified a picture of Arturo BERMUDEZ (AKA: Francisco I. OBREGON-Sosa) as a person that he had seen with FLORES at RASMARK on a few occasions. Mr. Chavez said that both FLORES and BERMUDEZ were at RASMARK just prior to the Saturday and Sunday flights departing to Florida. Mr. Chavez also said that the RASMUSSON had shown him a newspaper clipping, with Jesus FLORES named in a cocaine bust, saying "look who got busted." Mr. Chavez said that the RASMUSSONs did not say anything about a missing client folder or about Jesus FLORES owing them any money. According to Mr. Chavez, FLORES must have been paid up or the RASMUSSONs would not have continued to fly him around. Mr. Chavez again said that the RASMUSSONs had never mentioned anything about a missing client folder or about FLORES owing them any money. According to Mr. Chavez, if FLORES was chartering $40,000.00 a month in flights, he would be one of RASMARK's largest accounts. When asked about other flights that FLORES had chartered, Mr. Chavez said that he thought that he had heard of flights to Los Angeles, California, and Portland, Oregon, before but he could not remember for sure.

6. At the end of the interview. Mr. Chavez gave the agents his telephone number, (915) 857-0370, and his beeper number, (915) 549-1057, and said that the agents could contact him if they had any further questions.

[End of Excerpts]

EXCERPTS FROM INTERVIEW OF DEBRA RASMUSSON AND PILOT JIM YOUNG AUGUST 27, 1990 DATE PREPARED: SEPTEMBER 15, 1990 DEA-6/FILE NO M7-90-Z002

DETAILS;

1. Reference is made to all DEA-6's under this case file title and number as they relate to RASMARK JET CHARTER INC., Mark and Debra RASMUSSON, and jet charter flights taken by members of the FLORES organization.

2. On August 27, 1990, at approximately noon, Special Agent Steven E. Perkins and DEA Intelligence Analyst Elias Chavez went to RASMARK JET CHARTER INC., located at 6825 Convair Road, El Paso, Texas, and interviewed Debra RASMUSSON and RASMARK pilot Young. In response to the agents' questions about Arturo BERMUDEZ and his business, Golden Eagle Enterprises, Debra said that in mid-1989, BERMUDEZ arranged with RASMARK to fly 1,000 pounds of money or gold from El Paso, Texas, to Zurich, Switzerland. She said that RASMARK made the arrangements, at some expense to RASMARK; however, the flight never took place. According to Debra, BERMUDEZ wanted to arrange two or three of these flights if everything went all right on the first trip. Both Debra and Mr. Young identified a photograph as Arturo BERMUDEZ and both stated that they had seen BERMUDEZ with Jesus FLORES on previous occasions. Debra said that she would try to provide the agents with copies of documents regarding RASMARK's preparation for the Switzerland flight. She also said that she remembered the flight because it was going to be approximately a $40,000.00 charter to a country they had not flown to before. She also remembered that BERMUDEZ spoke English and that the flight did not take place because BERMUDEZ was originally going to pay in advance and later changed his mind and wanted to pay when they arrived in Switzerland.

3. Debra RASMUSSON introduced Mr. Jim Young to the agents as one of RASMARK's pilots , and said that Mr. Young might be able to give the agents details concerning some of FLORES' flights. Debra said that because the Jesus FLORES/VISTA REMODELING file was missing, maybe the pilot could remember flights that she had not told the agents about. In response to the agents' questions, Mr. Young told the agents about the following flights:

a. RASMARK FLIGHT: El Paso, Texas, to Lindburg Field, San Diego, California, and return that same day, on April 10, 1990.

Passengers: Three or four male passengers including: Jesus FLORES, Arturo BERMUDEZ, and one other passenger that he would recognize because he later flew him to Detroit, Michigan.

Details: Was originally supposed to stay in San Diego for two hours, ended up staying in San
Diego for four or five hours. Passenger did not stay at airport and would call Mr. Young at the airport from what he believed were different locations. Passengers picked up at airport by other Hispanic males.

b. RASMARK FLIGHT: El paso, Texas, Texas, to Cancun and Cozumel, Mexico, and return to El Paso, Texas.

Passengers: Five or six passengers, one of whom was Jesus FLORES.

c. RASMARK FLIGHT: El Paso, Texas, to Detroit, Michigan, on April 3, 1990, with a stop to refuel in Fort Wayne, Indiana. Layover and return to El Paso on April 4, 1990.

Passengers: Four passengers consisting of two male/female couples. Left one of the couples in Detroit, Michigan. The chubby Hispanic male from the couple who went to and returned with the flight from Detroit, was the same other passenger as detailed in paragraph a above.

Details: The couples had baggage and Mr. Young thought that

they must have secured the flight with a credit card.

d. RASMARK FLIGHT: El Paso, Texas, to Culiacan, Mexico, stayed for two to three hours, and returned to El Paso, Texas.

Passengers: Three or four passengers, one of whom was Jesus FLORES.

Details: While in Culiacan, Mexico, Mr. Young ate lunch with Jesus FLORES. While in a car with FLORES, FLORES pointed out some buildings and said that they belonged to him. Mr. Young said that he left most of the passengers in Culiacan, Mexico.

e. RASMARK FLIGHT: El Paso, Texas, to Portland, Oregon, and return to El Paso, Texas, with a refuel in Salt Lake City, Utah.

Passengers: Transported a husband, wife, and child; left them in Portland, Oregon, and returned with no passengers.

Details: Mr. Young said that he knew that Jesus FLORES paid for this flight.

f. RASMARK FLIGHT: El Paso, Texas to Portland, Oregon, and return to El Paso, Texas.

Passengers: Mr. Young said that he could not remember the number of passengers; however, he thought Jesus FLORES was on the flight.

4. Mr. Young said that he thought that he had flown some of FLORES' people on another flight to Detroit, Michigan, but he could not remember the details. Mr. Young went on to say that he believed that he had flown FLORES and his people on other RASMARK charters; however, he could not remember when or to where. Mr. Young said that where he did not get involved in the billing, he may have flown FLORES' people on several other flights that FLORES paid for, he had no way of knowing. He told the agents about the flights that FLORES was on or that he recognized FLORES' people on. Mr. Young

said that on June 9, 1990, he was going to fly a FLORES charter from El Paso, Texas, to Florida, but the flight got canceled after Jerry Burnett flew out the first load of passengers. On the day the flight got canceled, Mr. Young remebered Jesus FLORES, Arturo BERMUDEZ and the chubby Hispanic male from the flights detailed in paragraphs a and c above, at RASMARK arranging the Florida trips. Mr. Young also said that FLORES once told him that FLORES was going to buy a Lear jet that could stay in the air for five or six hours at a time. According to Mr. Young, he saw Arturo BERMUDEZ in the Popular Store at the Mall and BERMUDEZ told him that BERMUDEZ had purchased a Lear 25.

5. After Mr. Young left the office, Debra RASMUSSON said that she did not like to tell the pilots how much the flights cost and too much about major customers because the pilots might want more money for the flights, and the pilots were always looking for easier jobs like being a personal private pilot for a company that had its own jet. Debra said that she did not know about most of the flights that Mr. Young told the agents about and that is why she had not told the gents about the flights before. When asked how she could not know about the flights where she was the manager and took care of the files, Debra said that where FLORES always paid in cash it would not surprise her if some of RASMARK's employees had taken FLORES on flights and not told her about it. Debra said that she had fired her former secretary for stealing on July 16, 1990. According to Debra, her former stole $400.00 from her purse while they were out dancing one night. At the agents request, Debra showed the agents the secretary's personnel folder which revealed: Susana Zaldivar, 270 Padres Avenue, El Paso, Texas 79907, telephone number (915) 858-4573.

[End of Excerpts]

[See App. 917, ¶ 17, Frost's Affidavit]

EXCERPTS FROM INTERVIEW OF FORMER RASMARK OFFICE MANAGER AUGUST 27, 1990 DATE PREPARED: SEPTEMBER 15, 1990 DEA-6/FILE NO M7-90-Z002

"2. On August 27, 1990, at approximately 7:00 PM, Special Agent Steven E. Perkins and DEA Intelligence Analyst Elias Chavez interviewed Susana Zaldivar, the former office manager/secretary for RASMARK JET CHARTER INC., at Denny's Restaurant located at Lomaland and Gateway West in El Paso, Texas. Susana was accompanied by her husband and the meeting was arranged through telephone contact with Susana at El Paso telephone number (915) 858-4573 which services her residence located at 270 Piedras Avenue, El Paso, Texas.

3. Susana told the agents that she graduated from business school and started working for Mark and Debra RASMUSSON, at RASMARK JET CHARTER INC., on about May 7, 1990. Susana said that she worked for the RASMUSSONs for two and one half months, until about July 21, 1990. According to Susana, on a Friday Debra told her that she was not finishing her work and that Debra received complaints from customers about Susana not knowing what she was doing. The next Monday, Debra fired Susana. Susana stated that Debra's allegations were wrong and that she did not understand why Debra fired her. When the agents informed Susana that Debra said that Susana had taken money from her, Susana said that she had never taken (stolen) any money from Mark or Debra RASMUSSON or their business.

4. In response to the agents' questions, Susana said that when she worked at RASMARK she was responsible for the office (i.e., office manager) and her job entailed the following:

a. In charge of the office when Debra and Mark were not there.

b. Answering the telephones, sometimes even on weekends through Call Forwarding, and taking messages. quoting prices, checking airplane and pilot availability and preparing trip sheets.

d. Typing all invoices, mailing the customer copy of the invoices, filing the invoices.

e. Receiving the mail and processing the check received for deposit.

f. Doing the filing, typing, and receivables.

g . Call customers who had not paid their bill after 30 days and made arrangements for payment.

h. Logging in and filing expenses.

Susana said that she did all of the invoicing and a majority of the filing at RASMARK for the months of May, June, and July of 1990. Susana also said that she never did an invoice for Jesus FLORES or VISTA REMODELING.

5. When asked about missing files, Susana said that if a file were missing, she would be the first person Debra or Mark would ask about it. According to Susana, if there had been a missing file, she would have known about it, and she never heard about any missing file. Susana said that most of the payments received by RASMARK for chartered jet flights were checks, and Mark RASMASSON or Dave Chavez would generally deposit the check the day they were received. She further stated that she only remembered receiving a cash payment one time and that was a $200.00 adjustment on a bill. Susana said that she had never heard anything about FLORES owing RASMARK any money or about FLORES not paying an invoice (bill) owed to RASMARK.

6. In response to the agents' questions, Susana said that she was told that FLORES was a special account and that Debra and Mark would handle all of his billing. Normally when a customer would call

in to charter a flight, she would take the call, start the trip sheet, quote the price, and begin making the arrangements. However, Susana was told that when Jesus FLORES or any of his people called, the call was to be transferred to Mark or Debra RASMUSSON. Susana was told by Debra and Mark that if FLORES or his people wanted to charter a flight, and they were out of town, to take them when and where they wanted to go, and that Debra and Mark would handle the paperwork and billing themselves when they got back. On one occasion, Susana remebered asking Debra if she should invoice a flight that had just been taken by FLORES. Debra told Susana no, that Debra would handle it. According to Susana, Jesus FLORES, Joe PEAKE, and Peter SEAVERNS were treated special, like good friends with Debra and Mark; with all of their other customers, it was all business.

7. Froma series of phtographs that the agents showed Susana, she identified photographs of Jesus FLORES and Joe PEAKE by name, and a photograph of Arturo BERMUDEZ as a person she had seen with FLORES at RASMARK before. Susana said that PEAKE had a funny smile and laugh and he always wore expensive jewelry. Because of the way PEAKE acted and the jewelry he wore, Susana felt that PEAKE was an illegal drug dealer who had a lot of money.

8. According to Susana, most of the flights chartered at RASMARK were cargo and air ambulance flights which were always paid for by check. Ford was RASMARK's biggest customer.
During her employment at RASMARK, they made about eight flights per week and she only remebered invoicing about 10 passenger flights. She said that RASMARK did relatively few passenger flights.

9. Regarding flights tha FLORES chartered, Susana remembered two flights to Portland, Oregon, and two flights to Florida. Susana said that the flights to Florida were on a weekend and she took the original call to set up the flights. Because Susana knew that FLORES was a preferred customer of the RASMUSSONs, she transferred the call to Dave Chavez to make the arrangements. Generally, Mr. Chavez or Mark would dispatch the flights.

10. Susana said that Debra told her about Jesus FLORES being

arrested before the article came out in the newspaper. Mark told Susana that FLORES owned the airplanes seized in Mexico. Debra told Susana that they had only chartered flights for FLORES on two or three occasions and that FLORES did not owe them any money. Debra also told Susana that FLORES was a cash customer. Susana was told that FLORES preferred pilot Jerry Burnett to fly his charters. Debra told Susana that some of the people they had transported for FLORES were probably FLORES' pilots. This statement was made referencing the cocaine and airplanes seized in Mexico with FLORES named in the newspaper article. According to Susana, Mark flew a load of Mexican Federal Police, who were involved in the bust in Villa Ahumada, Mexico, from Ciudad Juarez to Monterrey, Mexico. Susana offered to invoice the flight to Monterrey, Mexico, but Debra said that she would take care of it. Susana helped Mark negotiate with the Mexican Police for the payment on the Monterrey flight. Mark received payment for the flight and gave Susana a $50.00 bonus for her help (Note: According to Mark RASMUSSON, he received payment for this flight through Western Union.). According to Susana, Mark told her, "Remember the Mexican Police that we flew to Monterrey, Mexico, because they had just busted a large load of cocaine in some airplanes? The airplanes belonged to Jesus FLORES." Debra told Susana that some of the people they flew for FLORES wanted to be flown to Colombia. FLORES was arrested with Colombian cocaine. The people they flew for Jesus FLORES were FLORES' pilots.

11. Susana told the agents that Albert Apodaca was the CPA who handled RASMARK's books. She said that Mr. Adpodaca would come in once a month to gather deposit and account information. Susana said that Mr. Apodaca was familiar with the files and would know about cash deposits and customer files. Susana also said that there was a deposit ledger, which she described for the agents, and said that it was in the top drawer of the filing cabinet. Susana said that the RASMJUSSONs had houses in Colorado and in San Jose Del Cabro, Mexico. She remembered Peter SEAVERNS, Joe PEAKE, and another Hispanic male went on a flight with Mark to go fishing. She also said that any trips to Mexico had to be reported to a Mr. Dominguez in Mexico City, Mexico.
[End of Excerpts]

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EXCERPTS FROM CRIMINAL TRIAL TRANSCRIPT IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF TEXAS EL PASO DIVISION

JUNE 10, 1991, THROUGH JUNE 17, 1991

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(Witness steps down.)

THE COURT: Please call your next witness.

MR. GREENBERG: Virginia Moreo.

THE COURT: Have you taken the oath, ma'am?

MS. MOREO: No, sir.

(Court swears in the witness.)

VIRGINIA MOREO, GOVERNMENT'S WITNESS, SWORN

DIRECT EXAMINATION

BY MR. GREENBERG:

Q Please tell us your whole and complete name, ma'am.

A Virginia Dominguez-Moreo.

Q And how do you spell Dominguez?

A D-o-m-i-n-g-u-e-z.

Q And where to you work, ma'am?

A At the Rodeway Inn, Ontario.

Q And how long have you worked there?

A Going on three years.

Q And what do your duties consist of at the Rodeway Inn?

A I'm the manager there.

Q And how long have you been the manager?

A For about a year and a half.

Q I assume.when somebody comes to register at the Rodeway

Inn, there is a record filled out showing his registration?

A Yes, there is.

MR. GREENBERG: May I approach, Your Honor?

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THE COURT: Yes.

Q (By Mr. Greenberg) I show you what has been marked as

19-A. Can you identify what 19-A is?

A Yes.

Q What is 19-A, ma'am?

A 19-A, it's the registration when they come in and register for a room, and it has their signature and everything on it.

THE COURT: I'm sorry. I can't hear you when you turn your head like that.

THE WITNESS: Oh, I'm sorry.. It's a record of the registration when a person comes in to register in the room, and he has to fill it out and sign it.

Q (By Mr. Greenberg) And is this the registration for your hotel?

A Yes, it is.

Q And what room does it show Mr. Dodd registered in?

MR. DEGUERIN: Excuse me, Judge. The exhibit has not been offered yet. I object that any content being testified about being offered is already admitted.

THE COURT: Well, she can interpret her own

record. He just asked her what room it shows. If you can tell.

THE WITNESS: The first one is 204.

Q (By Mr. Greenberg) And I want to show you 19-B.

*437

[Can] you identify what 19-B is?

A Yes. That's the record that we keep in our files showing every day, how long he stays there, the days he comes in and pays.

THE COURT: We can't hear you.

THE WITNESS: When he comes in and pays, that's the daily record that we kept on this one.

Q (By Mr. Greenberg) All right. And how did Mr. Dodd pay?

A Every day, cash.

Q 19-C?

A That's our computer record that comes out of the computer that we keep daily, and we record the charges on

there every day.

Q All right. Now, when did Mr. Dodd register at your hotel?

A In November, the 10th of November.

Q Of what year?

A 1990, I believe. I'm sorry, that was 1989, 11/10.

Q What happened to -- does your hotel keep copies of the phone tolls that people call from the room?

A Yes, we do.

Q And how long are those kept for?

A We try to keep them for at least a year.

Q And have you looked for the phone calls attached to Mr.

*438

Dodd's room?

A I did, but they were already destroyed.

Q I'm going to show you some xeroxes, ma'am, and ask you if you can identify these, which are marked 21-A?

A Yes.

Q And you have previously seen these?

A Yes, I have. Those were the ones that were given to the policemen when they asked for them.

Q okay. Are they true copies of the phone tolls that were from Mr. Dodd's room that day?

A Yes, they are.

Q And the records show Mr. Dodd moved from room to room several times?

A Right.

Q That's the way they are printed up in the hotel?

A Yes, they are, only there is a long sheet.

MR. GREENBERG: Your Honor, I would like to offer 19-A, B and C and 21-A.

THE COURT: Show them to counsel, please.

MR. DEGUERIN: Objection, hearsay. I'm sorry, Your Honor, I didn't hear you.

THE COURT: I said, "Show them to counsel." I

didn't know if you'd seen them.

MR. DEGUERIN: Your Honor, hearsay and the proper predicate has not been laid.

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MR. GREENBERG: I call Jackie Fuller.

THE COURT: Is this one of the witnesses who have taken the oath?

MR. GREENBERG: No, Your Honor.

(Court swears in the witness.)

JACKIE FULLER, GOVERNMENT'S WITNESS, SWORN

DIRECT EXAMINATION

BY MR. GREENBERG:

Q Please tell the Court and ladies and gentlemen of the jury your whole and complete name.

A Jackie Fuller with Contel Cellular out of Atlanta.

Q And what kind of company is Contel Cellular?

A We handle cellular telephones, mobile telephones for

cars.

Q okay. And how long have you been employed with Contel

Cellular Telephone?

A A little over two years.

Q And what position do you occupy there?

A Custodian of records.

Q Miss Fuller, did you conduct any searches to find out any phone numbers under the names listed of Luis Garcia?

A Yes, I did.

Q Vista Remodeling?

A Yes, sir.

Q What other names in this case have you conducted

*447

searches of?

A I believe it was Roach.

Q Rocha?

A Rocha, and Donalto -- I don't speak Spanish, so

Q Donato Malverde?

A Yes, sir.

Q And how did you come to the information under what names to conduct names to conduct searches under of the phones?

A I was sent a subpoena from Agent Lenox to conduct a key-name search on certain names and cellular telephone numbers.

Q okay. And when you say you conduct a key-name search, how is it -- Contel is a nationwide company, correct?

A Yes, sir.

Q And provides, cellular telephone service across the country, correct?

A Yes, sir.

Q How is it that a key-name search would help you determine who has a subscribership to a particular phone or phone number?

A You put in the person's name, their last name that you're looking for, and it pulls up through the computer through our database, all of the names that are listed for

that person and their mobile numbers.

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MR. ABOUD: No questions.

MR. GREENBERG: One moment please, Your Honor.

REDIRECTEXAMINATION

BY MR. GREENBERG:

Q In regard to Government's Exhibit 65, which has a Plaintiff's exhibit sticker on it, Number 65, whose signature is at the bottom signing the contracts for those beepers?

A Jesus Flores

MR. GREENBERG: Thank you.

THE COURT: Is that it for th is witness?

MR. GREENBERG: Yes, sir.

.THE COURT: You may step down.

(Witness steps down.)

THE COURT: Next?

MR. HERMOSILLO: Hooker.

(Court swears in the witness.)

ROBERT M. HOOKER, GOVERNMENT'S WITNESS, SWORN

DIRECT EXAMINATION

BY MR. HERMOSILLO:

Q Would you please state your full name for the record, sir?

A Robert M. Hooker, Jr.

Q Mr. Hooker, could you speak up just a little bit louder?

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A Robert M. Hooker, Jr.

Q How are you employed, Mr. Hooker?

A I was working for Easy Living.

Q Are you still working for them now?

A No.

Q Back in May of 1990, though, you were working for Easy LIving [sic]?

A Yes.

Q And on May 25th, 1990, did you sell a motor home to an individual named Luis Martinez?

A Yes, I did.

Q Okay. Can you tell us a little bit about how that transaction came about?

A They came in early in the morning and looked at the motor home, and then they came back that afternoon. We agreed on a price, and that afternoon they bought the motor home from me.

Q When you say they came in, who are you referring to?

A There was Luis Martinez and one other guy.

Q Do you see either Mr. Martinez or the other guy in the courtroom today?

A Yes, I do.

Q would you please identify him by describing what he's wearing or where he's seated?

A He's right behind you in the white shirt.

the cross.

MR. GREENBERG: Okay. We'll wait to recall him, Your Honor. That's all I have for now, Your Honor.

THE COURT: Any other questions for this witness?

MR. DEGUERIN: No, Your Honor.

MR. MCDONALD: No, Your Honor.

THE COURT: You may step down.

(Witness steps down.)

THE COURT: Next?

MR. HERMOSILLO: Mr. Salazar.

MR. ESPER: Your Honor, with respect to the record, I would ask the Court to give me a Rule 105 limiting instruction with respect to all of the testimony of Mr. Seaverns pertaining to Mr. Rasmussen.

THE COURT: I thought we did that this morning. Didn't you make that motion this morning?

MR. ESPER: I'm not sure if I did or not.

THE COURT: I think maybe you did, but if not, the

jury is so instructed.

(Court swears in the witness.)

JESUS ALBERTO SALAZAR, GOVERNMENT-S WITNESS, SWORN

DIRECT EXAMINATION

BY MR. HERMOSILLO:

Q Would you please state your full name for the record, sir?

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A My name is Jesus Alberto Salazar.

Q Mr. Salazar, how are you employed?

A Industrial Communications as a sales representative.

Q Okay. And what is Industrial Communications?

A we sell two-way equipment, paging, microwave, etcetera.

Q Okay. And where is that located?
A 5516 East Paisano.

Q Mr. Salazar, did there come a time back in March of 1990 -- were you working at that time for Industrial Communications?

A March, '90, yes, I was.
Okay. And what were your duties at that time?
A Sales representative.
Q And do you recall making a sale of some radios to an individual by the name of Bermudez?
A Yes,'sir, I do.
Q Can you tell us a little bit about that and how it came about?
A Well, the gentleman walked in with a couple of other gentlemen, and they just said they needed communcations. That's about all I can really -- I can't elaborate on that, other than the fact that they needed two-way communications.
Q what kind of two-way communications did they want?
A They said it would be used for the ranch.
Q Anything else?

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MR. DEGUERIN: That's all.
THE COURT: Any other questions? I guess not.

You may step down.

(Witness steps down.)

THE COURT: Next?

MR. HERMOSILLO: Ruben Lujan.

THE COURT: Have you taken the oath?

MR. LUJAN: No, sir.

(Court swears in the witness.)

RUBEN LUJAN, GOVERNMENT-S WITNESSr SWORN

DIRECTEXAMINAT10N

BY MR. HERMOSILLO:

Q Mr. Lujan, would you please state your full name for the record?

A Ruben Lujan.

Q How are you employed, Mr. Lujan?

A With Industrial Communications.

Q How long have you worked for Industrial Communications, sir?

A Seventeen years.

Q I take it then you were working for Industrial communications back in March of 1990?

A Yes, sir.

Q What were your duties at that time?

A I'm the shop manager and supervise the service and repair -

***604**

Q Okay. Back on March the 9th of 1990, did you install some radios in a couple of Suburbans?

A Yes, sir.

Q And do you recall who that was for?

A For Mr. Bermudez.

Q Okay. Now, do you recall when Mr. Bermudez came in -

or did Mr. Bermudez come in at that time?

A Everything was done with Mr. Salazar in sales, and then we handle the installation.

Q Okay. And what kind of vehicles were these radios

installed in?

A Suburbans.

Q Okay. And

MR. HERMOSILLO: May I approach the witness, Your Honor?

THE COURT: Yes, sir.

Q (By Mr. Hermosillo) Mr. Lujan, let me hand you what has been marked as Government's Exhibits 70 and 71 and ask you to take a look at those, sir. And then 72 and 73. Do you recognize the vehicles portrayed in those photographs?

A Yes, sir.

Q Okay. Are these the Suburbans that you installed the radios in?

A Yes, sir.

***655**

outweighing any relevancy it might have. And that is to this entire transaction concerning the Dodd affair.

MR. DEGUERIN: The same objection.

THE COURT: At this time those objections are overruled. Those exhibits may be admitted.

(Government's 16, 19-Ar 19-B,, 19-C, 21-A, admitted.)

MR. GREENBERG: I think that's it for right now, Your Honor.

THE COURT: You need to have a recess before your next witness, is that what you're saying?

MR. GREENBERG: Yes, Your Honor. I need to set up some equipment.

THE COURT: All right. A 15-minute recess.

(Short recess taken.)

THE COURT: Has your next witness been sworn, counsel?

is MR. GREENBERG: No, this witness has not, Your Honor.

(Court swears in the witness.)

LADY ALLISON JONES, GOVERNMENT-S WITNESS,, SWORN

22 DIRECTEXAMINAT10N

23 BY MR. GREENBERG:

24 Q Ma'am, please tell us your whole and complete name?

25 A Excuse me?

*656

1 Q Please tell us your whole and complete name.

2 A Lady Allison Jones.

3 Q And how are you employed?

4 A I work for Southwestern Bell Telephone.

5 Q Are you the records custodian?

6 A Yes.

7 Q For Southwestern Bell Telephone?

8 A Yes.

9 Q And pursuant to a subpoena, have you brought the

10 subscriber for certain telephones for me?

11 A Yes.

12 Q To court today?

13 A Yes.

Q And have you brought the subscriber for 859-3885?

A Yes.

And who is the subscriber listed to for 859-3885?

A Jesus Flores.

Q And have you brought the subscriber for 859-1610?

A Yes, I have.

Q And who is the subscriber for 859-1610?

A Jesus Flores.

Q Thank you.

MR. GREENBERG: I don't have any other questions at this time.

MR. DEGUERIN: No questions.

***730**

A That's correct.

Q Okay. And they are in the telephone book, Rasmark Tet Charter Service?

A Yes, sir.

Q Okay. And they have an office there, Cutter Aviation,

do they not?

A Yes, they do, sir.

Q And let me talk first about this -- about this telephone conversation that we heard yesterday. You -- you are one of the case agents in this case, are you not?

A Yes, I am.

Q And you are aware, of course, of the Court authorized wire interceptions on a number of telephones, correct?

A Yes, sir.

Q one of those telephones was not subscribed to Mr. Rasmussen or to Rasmark Aviation, was it?

A No, sir.

Q Okay. And how many conversations do you think were intercepted during the course of the existence of the wire tap applications?

A I don't know, sir.

Q Hundreds?

A Yes, sir.

Q Maybe thousands?

25 A Possibly.

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1 Q Okay. And of over maybe thousands of conversations
2 that were intercepted, there was one conversation of all
3 those thousands between Mr. Flores and Mr. Rasmussen,
4 correct?
5 A Two, sir -- well -
6 Q One was a disconnect, right?
7 A Exactly. Two conversations, or two calls, but
8 basically one conversation. Yes, sir.
9 Q Okay. The one we heard yesterday where the battery
10 pack went out and they had to call back?
11 A Yes, sir.
12 Q Okay. And so out of thousands of conversations that
13 you intercepted involving the telephone -- telephones that
14 you believed to belong to Mr. Flores, there was one
15 conversation that was intercepted involving Mr. Rasmussen?
16 A To the best of my knowledge, that's correct, sir.
17 Q Okay. And is it your opinion that based upon that,

that there is more than a business relationship between Mr. Flores and Mr. Rasmussen?

A Excuse me, sir?

Q Was it your testimony that you think that there is more than just a business relationship based upon one conversation out of thousands that were intercepted?

A I testified that Mr. Rasmussen told me that his relationship with Mr. Flores was as someone who came in and

*732

chartered flights and was strictly business.

Q Okay. And the fact that there was one conversation with Mr. Rasmussen over all this period of time and all of these thousands of calls confirms that, doesn't it?

A Are you asking me if that sounds -

Q Yes. Is that consistent with just a business relationship rather than a personal or friendship-type relationship?

A in my mind, no, sir.

Q Oh. well, why weren't there more calls intercepted

involving Mr. Rasmussen if he was friends and had a social relationship with Mr. Flores?

MR. GREENBERG: Your Honor, that is argumentative.

THE COURT: I think so, too. I'll sustain the objection.

Q (By Mr. Esper) You say that in that conversation that we heard yesterday that Mr. Flores is asking Mr. Rasmussen if he can obtain for him a motor for a 206 airplane, correct?

A That is my belief. Yes, sir.

Q Okay. In that conversation, Mr. Flores is referring not to him but "they" want a 206 airplane, isn't that the truth?

A You want my recollection of the call?

Q Yes.

*743

best of my knowledge, sir.

Q Oh, okay. As a matter of fact, Mr. Perkins, Rasmark

provided you with all of these documents, which you -- which are copies of documents that the Government provided to me, reflecting all of the flights that they had pertaining to Mr. Flores, correct?

A They provided me with documents, as I recall, for nine flights that were related to Mr. Flores. That's correct.

Q And in the course of your investigation, you discovered that in talking with, certainly, other individuals involving Rasmark that they did a fairly substantial amount of jet charter service, correct?

A Yes, sir.

And that they conduct numerous flights on a weekly basis, do they not?

A I believe so. Yes, sir.

Q Okay. And whenever you asked Mr. Rasmussen about whether or not he had gone to Mr. Flores' house on May the 26th, he said that his recollection was that he was still in Belize on May the 26th, correct?

A No, sir. I didn't ask Mr. Rasmussen if he went to Mr.

Flores' house on May the 26th.

Q You asked him if he collected some money from Mr. Flores.

A If he made arrangements with Mr. Flores concerning

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money, yes, sir.

Q And do you know whether or not he even went to Mr. Flores' house on May the 26th?

A I donit know, sir.

Q okay. You just heard that conversation, correct?

A Yes, sir.

Q And in essencet it was Mr. Flores who called Mr. Rasmussen, isn't that right?

A Yes, sir. That's my understanding.

Q okay. And that was in the course of a conversation of looking for a motor for a 206 airplane, correct?

A That was part of the conversation. Yes, sir.

Q Okay. And in part of the conversation, Mr. Flores then

tells him,, 110h,, by the way. I have the money -- I have your money that we owe to you," correct?

A Yes, sir.

Q Mr. Rasmussen didn't call him asking for the money, did he?

A No, sir.

Q Okay. And in the course of the conversation, Mr. Rasmussen didn't demand payment of the money that was owed to him, did he?

A No, sir.

Q Okay. And in fact, Mr. Rasmussen told you that he had been on one occasion to Mr. Flores' house to pick up some

*745

money that was owed for some charters, correct?

A Yes, sir.

Q And didn't Mr. Rasmussen also tell you that with respect to the business, as far as the invoices and the receipt of money, that his wife was the one who handled

that portion of Rasmark?

A Yes, sir.

Q okay. As a matter of fact, the only portion of Rasmark that he handled were the planes and the flying and that type of thing?

A it appeared that way to me. Yes, sir.

Okay. And did he also not tell you that many times he was either flying a charter or was asleep after having flown a charter when other charters may have taken place and he not knew about them?

A Not quite in that format. No, sir.

Okay. well, didn't he tell you if he was out flying a charter and somebody else called in and wanted to charter a plane, he wouldn't know about it, would he, obviously?

A I would imagine not.

Okay. Now, with respect to the confusion over the acronyms of Los Angeles and San Diego, are you aware of what the acronym is for an airport in the Los Angeles area known as the Santa Ana Airport?

25 A No, sir.

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1 Q Have you ever heard of an airport as Santa Ana?

2 A I have heard of Santa Ana, California.

3 Q Okay. But you don't know what the acronym is, do you?

4 A No, sir.

5 Q So whenever we talk about the acronyms, tell the ladies

6 and gentlemen of the jury what we are talking about.

7 A An acronym, for example, for the Los Angeles

8 International Airport may be LAX, commonly referred to as

9 LAX; the LAX being the acronym for the airport.

10 Q just like El Paso is ELP, correct?

11 A Could be, yes, sir.

12 Q And it's -- usually the acronym is usually those little

13 things they put on your bags when you're going out of town,

14 the little sticker; that reflects the acronym, does it not,

15 when you travel on a commercial airline?

16 A Yes, sir.

Q Okay. And San Diego's is SAN, to your knowledge, is it not?

A I don't know.

Q You don't know?

A it sounds reasonable.

Q And you don't know whether or not the acronym for Santa Ana is SNA, do you?

A I don't know, sir.

Q Okay. If that were, in fact, the case, that would be a little confusing, wouldn't it?

A I could see where people could get that confused. Yes, sir.

Q Sure. Did Mr. Rasmussen say to the best of his knowledge that Mr. Flores was -- was the only cash paying customer that they had or one of the few cash paying customers?

A I believe it was maybe the only cash paying customer,

something along those lines.

Q Maybe the only cash paying customer?

A Yes, sir.

Q Okay. And,-of course, there is there is no cr'

with receiving cash for the payment of a charter, is there?

A No, sir, not to my knowledge.

Q Okay.

A Depending on the amount of the receipt of cash and how

it's handled, of course.

Q of course, if a charter is more than $10,000, if it costs more than $10,000 and they receive more than $10,000 in cash for that one charter, they have an obligation to fill out that Form 8300 that we heard Mr. Seaverns talking about, correct?

A Yes, sir.

Q Okay. And you would agree, would you not, that with respect to any cash that they receive, that so long as they

report it on their taxes, income tax return, they can do whatever they want with that cash, correct?

A Yes, sir.

MR. ESPER: May I have just one moment, Your Honor?

THE COURT: Yes, sir.

(By Mr. Esper) Did Mr. Rasmussen tell you, and did the records reflect that Mr. Flores always chartered these planes in the names of Jesse Flores or Vista Remodeling?

A Did Mr. Rasmussen tell me that?

Q In other words, did Mr. Rasmussen tell you they knew Mr. Flores as Jesse Flores?

A Yes, sir.

Q Okay. And did they know Mr. Jesse Flores as being the owner of Vista Remodeling?

A Yes, sir.

Q They didn't tell you they knew Jesse Flores by some other name, did they?

A No, sir.

Q They didn't tell you -- Mr. Rasmussen didn't tell you that Jesse Flores came in and introduced himself as somebody else, did he?

A No, sir.

Q Okay. And Mr. Rasmussen didn't tell you that Mr. Flores said that he was the owner of some other business

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A Yes, sir, it is.

Q Now, that is obviously a xeroxed copy and you know that through the ordinary discovery procedures in a criminal case that the Defense is often given copies of documents that the Government has obtained either through subpoena or request or so forth, correct?

A That's correct, sir.

Q And you obtained the original of those documents at some time in your investigation, I believe June the 25th?

A Yes, sir.

Q Those are documents from an aircraft repair company

of

some sort?

A From Tapaco Aircraft Parts and Accessories.

Q Yes, sir. And let me show you Defendant's Exhibit Number 2, which likewise are some xeroxed copies of some discovery material from Tapaco, and while I'm up here, Defendant's Exhibit 3, which are some xeroxed copies of some documents from Button Aviation. You are familiar with those documents, aren't you?

A I haven't gone through them all, but, yes, sir, this appears to be the documents that I received on June 25th.

Q Okay. The date that you went to Rasmark and spoke to Mr. Rasmussen about the 206 was August 23rd?

A Yes, sir.

MR. DEGUERIN: Judge, may I use the chart here?

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THE COURT: Yes, sir.

(By Mr. DeGuerin) You obtained records from Tapaco -- I guess I'm pronouncing that correctly -- on June the 25th,

1990, and Button Aviation around that same date?

A No, sir. The Button Aviation, I believe I got all these documents at the same place at the same time.

Q Oh, all of them came from Tapaco on June the 25th?

A Yes, sir.

Q All right. On May the 26th, that is the date of the intercepted telephone call between Mark Rasmussen and Jesse Flores in which Jesse Flores says that they need a motor for the 206?

A That's correct, sir.

Q All right. The records from Tapaco that you obtained, Defendant's Exhibits 1, 2 and 3, are records regarding a Cessna 206, correct?

A Yes, sir.

Q That's a Cessna that you and the other agents seized within a few days of the time that Jesse Flores was arrested on June the 19th or 20th, right?

A Sir, I seized that plane on the same date that I picked up these records.

Q okay. I didn't know the exact date. So you seized the plane and the records on June 25th?

A Yes, sir.

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Q On may the 24th, you knew through surveillance of Jesse Flores that he was seen meeting with a man named Jesus Zarzosa, and Jesus Zarzosa was seen shaking his finger at Jesse Flores and shaking a cellular telephone at Jesse Flores, correct?

A I had heard that. I don't remember the date, but I had heard that situation. Yes, sir.

Q I can -- if you question the date, I can show you the report. Any question about that now?

A No, sir.

Q All right. Okay. Now, to take it in sequence -- let me write this down. It's right one of those ways, S-a-r or Z a-r-z-o-s-a.

All right. On May the 24th, Jesus Zarzosa is seen shaking his finger and a cellular telephone at Jesse

Flores. On May the 26th, there is a telephone conversation. Jesse Flores calls Mark Rasmussen and says they need an engine or a motor for the Cessna 206, correct?

A Yes, sir.

Q You get the records on the Cessna 206 when you seize it and learn from the records that Jesus Zarzosa is the attorney who represents Arturo Bermudez, right?

A That's not from my knowledge, sir.

Q Well, sir, the last page of Exhibit -- Defendant's Exhibit 3, would you take a look at that? You did review

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those records you got, didn't you?

A Yes, sir.

Q The last page of that exhibit is a power of attorney appointing Jesus Zarzosa as the attorney for Arturo Bermudez to take title to the 206, right?

A It appears that way. Yes, sir.

Q And the date of that power of attorney is February the

16th, 1990?

A The 28th day of February, 1990.

Q Excuse me. The 28th day of February. In reviewing Those papers, you learned also, didn't you, that the Cessna 206 was purchased through Jesus Zarzosa acting as power of attorney, or as the attorney representing Arturo Bermudez in February of 1990, correct?

A As I recall, it was purchased from Spartan Electric. February of 1990 does sound correct, and the purchaser's name shown is Arturo Bermudez.

Q Engineer or Ingeniero Arturo Bermudez?

A I believe so. Yes, sir.

Q Now, in reviewing those records, you learned also, didn't you, that on May the 25th, Jesus Zarzosa purchased an engine for the 206 from Tapaco or Tapaco, correct? Let's see if I can find it right quick. Excuse me. I may have misspoke myself. May the 25th, 1990, there is a receipt by given by Tapaco to Arturo Bermudez for $10,000 as advance

on repair, Cessna 206, correct?

A Yes, sir.

Q And it's written out to the right, "Paid by Jesus Zarzosa in cash"?

A That's what is written there, yes, sir.

Q So at the time,, in August 23rd, when you went to talk to Mark Rasmussen to ask him whether Jesse Flores owned a 206, you knew, in fact, in February of 1990 Jesus Zarzosa, acting for Arturo Bermudez had purchased the 206, and May the 26th, which isn't written on this chart, Jesus Zarzosa paid money to Tapaco for repairs on the 206, and the documents that you seized, at the-time that you seized the plane revealed all of this; correct?

A I'm sorry. Could you run through that again?

Q All right. When you went to talk to Mark Rasmussen on August 23rd to ask him whether Jesse Flores owned a 206, you knew that, in fact, the 206 belonged to Arturo Bermudez and

that Jesus Zarzosa, that had shook his finger at Jesse Flores -- that on May the 25th, Jesus Zarzosa had paid for repairs to the 206. You knew all of that, didn't you, when you went to talk to Mark Rasmussen?

A I knew that the plane was in the name of Arturo Bermudez. I knew the name Arturo Bermudez was a false name. Therefore, the name was in an AKA. I knew that Jesus Zarzosa had been to Tapaco, made some arrangements and made

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some of the cash payments. Yes, sir.

Q You're saying that Arturo Bermudez is a false name?

A I have seen -- the individual has more than one name. Yes, sir.

Q But there is a man who is legitimately named Arturo Bermudez, he's an engineer and he lives in Juarez; you know that, don't you? Whether the man uses other names or not is not the question. There is an Arturo Bermudez whose

signature appears on a number of those documents, correct?

A Are you asking me if that signature appears or if I know that to be his true name?

Q Well, let's take it one at a time. First, the signature of Arturo Bermudez appears on many documents there, doesn't it?

A I believe so. Yes, sir.

Q it's a very distinct signature, isn't it?

A Yes, sir.

Q And every time you see the signature of Arturo Bermudez, it is a distinct signature and appears very similar each time, doesn't it?

A It does in those you just showed me. Yes, sir.

Q And in every document that you have seen that has Mr. Bermudez' signature on it, it appears the same, doesn't it?

A At this point, I really couldn't say. I can say that those two signatures are very similar, sir.

Q Well, you have other documents with the signature of Arturo Bermudez, don't you?

A Yes, sir.

Q There is a man whose name is Arturo Bermudez, whether or not he goes by other names, correct?

A There is an individual that goes by the name Arturo Bermudez, yes, sir.

Q And that individual is an engineer, to your investigation's knowledge?

A That individual uses the title "Ingeniero," which is engineer, yes, sir.

And the individual lives in Juarez?

A No, sir.

Q or at least in 1990 lived in Juarez?

A No, sir. If I may -

MR. DEGUERIN: Well, we move to introduce Defendant's Exhibits 1, 2 and 3.

THE COURT: Any objection?

MR. GREENBERG: No, Your Honor.

THE COURT: They may be admitted.

(Defendant Flores Exhibits 1, 2, 3 admitted.)

MR. DEGUERIN: And we'll mark the chart as Defendant's Exhibit 4 and move to introduce it as a summary of the documents and the testimony.

MR. GREENBERG: Your Honor, the testimony should

Flores or Mr. Roybal in particular.

MR. MCDONALD: Your Honor, if I may, I further would object to -- continuing objection and state for the record that Mr. Roybal does not believe that that limiting instruction is sufficient to cure the harm.

THE COURT: Proceed.

Q (By Mr. Greenberg) You did engage Mr. Rasmussen in a conversation about the activities of Mr. Flores, sir?

A Yes, sir, we did.

Q What did you tell him?

A Well, it was about a 30-minute conversation.

Q Well, specifically, did the-time ever arise during this conversation where you told him about any illegal activities that you suspected?

A I don't really understand the question, but, yes, sir, we discussed the fact that I kept the aircraft under observation to make sure that there was nothing going on.

Q Why was that?

A Mr. Rasmussen has instructed me to do that when we are in Mexico.

Q in regard to your dealings with Mr. Flores and the flights he flew is what I want to know, sir.

A I'm sorry?

Did you ever engage Mr. Rasmussen, Mr. Mark Rasmussen, the owner of Rasmark, in a conversation at a time after you

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returned from this flight to Obregon, Chihuahua, or Mexico,

about any illegal activities concerning Mr. Flores?

A No.

Q Did Mr. Rasmussen ever remark to you that Mr. Flores was involved in any illegal activities?

A No, sir.

Q How many flights did you take with Mr. Flores or his associates that you knew to be connected to Mr. Flores?

A only counting the record that I've seen, I made three trips to Florida and one trip to Obregon. That's all I can recall. Oh, there were two trips to Cancun.

Q Okay. The first trip that you ever took was to Obregon and then on to Matamoros, is that correct?

A That is correct. Yes, sir.

And the second trip you took with him, sir, was to Cancun?

A No, sir. That was with the gentleman in the picture that you showed me.

Q All right. How many trips to Cancun did you take?

A We took him, his wife and one other female over, and I went -- came home, went back approximately a week later and brought the same three people back.

Q Okay. So there was actually two trips?

A Yes, sir.

Q And two billable occurrences, correct?

BURNETTE-CROSS *884

whether you were working as a contract employee, ever -- was there anything that ever occurred that would have led you to reasonably believe that the plane was being used for some unlawful purpose?

A No, sir.

Q That it was being used for some illegal purpose?

A No, sir.

Q That it was being used to facilitate or help assist in the commission of a crime?

A No, sir.

Q if it had been, would you have told Mr. Rasmussen about it?

A Yes, sir.

Q Okay. To your knowledge, has Mr. Rasmussen ever allowed any of his aircraft to be used in such an illegal manner?

A No, sir.

Q Mr. Greenberg asked you whether or not you had any discussions with Mr. Mark Rasmussen about any alleged illegal activities of Mr. Flores, and the answer was no, is that correct?

A That is correct.

Q When I say illegal activities, I'm saying violations of law, correct?

A That's correct.

***885**

Q Did Mr. Mark Rasmussen ever discuss with you that he

knew that Mr. Flores was allegedly violating the law?

A No, sir.

Q Mr. Burnett, if you were not present -- well, let me ask you this. On June 29th of 1990, you say that you engaged in a conversation with Mr. Flores concerning you flying an airplane that belonged to Rasmark, correct?

A Yes.

Q Do you know from your own personal knowledge whether or not arrangements to have someone that was employed by Rasmark fly that plane, had, in fact, not materialized?

A I'm very vague on that. We-did have another pilot. He was not available that morning. I don't remember the exact circumstances of why.

Q Okay. Would that have been Mr. Young?

A Yes, sir.

Q Okay. So whenever you flew these three flights on June the 9th, 10th and 12th, in essence, Mr. Flores paid you pilot fees?

A Yes, sir.

Q And the airplanes were leased from Rasmark, correct?

A That -- yes. That has to be correct.

Q Do you know whether or not Mark and Debra Rasmussen were even in El Paso, Texas, at that time?

A I know that they were not.

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circumstantial evidence under all of the circumstances which would be enough to let those go to the jury.

As to Count Nine, the elements of that offense are: first, that the defendant, whichever the defendant was, used a facility in interstate or foreign commerce; second, that it was used with the intent to promote, manage, carry on etcetera, the illegal activity, specifically conspiracy to possess drugs with intent to distribute; and third, that thereafter the defendant performed or attempted to perform acts which did promote, establish, manage and carry on,

etcetera, the illegal enterprise. The fault I can see in the proof on that count is not all of this talk about who had knowledge of what when,, but just there's not sufficient proof that those trips, suspicious as they might be, were for those purposes or that thereafter those acts were performed. Suspicion, of course, is not enough. The test is proof beyond a reasonable doubt. So the motions for acquittal by the two defendants named in Count Nine will be granted. That count will be removed from the jury's consideration, withdrawn from the jury because of the granting the motion for acquittal.

Of course, Mr. Esper, as far as you're concerned, you're excused from the case. Mr. DeGuerin is not through yet because there are other counts to face.

What are your plans with regard to putting on

[End of Excerpts]

App. 1290

Form 4606

(Rev. November 1986)

Department of the Treasury -Internal Revenue Service
Examination changes - Partnerships, Fiduciaries,
S Corporations, and Interest Charge Domestic
International Sales Corporations

Name and Address

Employer Identification: 88-0214673
Number Form Number: 11205

RASMARK JET CHARTER, INC.
6805 BOEING Rd.

Person Examination: Changes Were Discussed With — Name: Albert Apodaca, Title: CPA

My examination of the above returns resulted in the following adjustments, which we have discussed. We will notify you by mail after the District Director has reviewed these changes.

1. Adjustments to ordinary, distributable net, or taxable income.

	Year: 9012	Year : 8912	Year:
a. No change - Subject to	-0-	-0-	
b. District Director's Approval			
c.			
d.			
e.			
f.			
g.			

2. Total adjustments to ordinary, distributable net, or taxable income.	-0-	-0-
3. Ordinary, distributable net, or taxable income as reported.	210,364	76,081
4, Corrected ordinary, distributable net, or taxable income.	210,364	76,081
5. Other adjustments.		
a.		
(1) Adjustment	-0-	-0-
(2) As reported	-0-	-0-
(3) Corrected	-0-	-0-
b.		
(1) Adjustment	-0-	-0-
(2) As reported	-0-	-0-
(3) Corrected	-0-	-0-

Remarks [Blank]

Examiner's Signature	District Office	Date
/s/ Stephen P. Harris	Austin	4/30/92

The person whose signature appears below has reviewed and hereby accepts the examiner's recommended adjustments listed above resulting from an examination of returns of the entity identified above.

Signature of Partner, Fiduciary, or Authorized Corporate Officer
Date [Blank]

NO CHANGE - NO SIGNATURE REQUIRED - COPY GIVEN TO ALBERT APODACA [Handwritten in original]

[See TAOP at App. 185, ¶ 249]

Case No. 16934
Dept. No. I

IN THE NINTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF DOUGLAS

LORI RASMUSSON,

Plaintiff,

vs.

MARK B. RASMUSSON,

Defendant.

/

AFFIDAVIT OF WILLIAM COLE IN SUPPORT OF MOTION TO MODIFY VISITATION

STATE OF NEVADA)
COUNTY OF DOUGLAS) ss.

WILLIAM COLE, being first duly sworn, deposes and says:

1. I am an attorney licensed to practice in the State of Nevada and have been retained by Lori Nelson to represent her in the above-captioned action.

2. In early June, 1992, I was contacted by Lori Nelson who requested that I contact United States Customs Agent Larry Frost regarding their investigation of Mark and Debra Rasmusson and the danger that he believed Mark Rasmusson, Jr. was in.

3. On June 17, 1992, I spoke with Mr. Frost. He advised me

that there was an ongoing investigation of the Rasmussons by the federal authorities concerning alleged criminal activities relating to criminal charges which had previously been dismissed. (See attached newspaper article.) [Record below] Mr. Frost stated that the charges had been dismissed during trial because a witness failed to appear and testify.

4. Mr. Frost told me that within the previous 30 days, Debra Rasmusson had come to his office high on controlled substances and had admitted that she was addicted to controlled substances and had been for many years. (Mr. and Mrs. Rasmusson have previously testified in visitation hearings that they do not use controlled substances.) She also told Mr. Frost that she was carrying a weapon because she thought her husband, Mark Rasmusson, and his friends were trying to kill her because she was a security risk. Mr. Frost told me that Debra Rasmusson told him that she always carried a gun because she feared for her life. In fact, it was the local police department that had referred her to Mr. Frost after she told the police that she was fearful for her life. Mr. Frost told me that Debra Rasmusson had certain books and records in her possession belonging to Mark Rasmusson, which were later confiscated by Mr. Frost.

4. Mr. Frost expressed extreme concern about the safety of Mark Rasmusson, Jr. during visitation in the present atmosphere. Mr. Frost volunteered to come to Douglas County to testify regarding these matters if he was served with a local subpoena.

4. [sic] Mark Rasmusson, Jr.'s next visitation with Mark Rasmusson, Sr. is due to take place on August 1, 1992. Therefore we

request that the court set a hearing on this matter before that time.

/s/ WILLIAM COLE

Subscribed and sworn to before
me this 10th day of July, 1992.

/s/ Silvia Motta
Notary Public - Nevada
Douglas County

[See TAOP at App. 190, ¶ 263; App.307, ¶ 30, D. Rasmusson's Affidavit]

[Excerpts: Customs Form 6051 (122085)]

DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

No.0499983

CUSTODY RECEIPT FOR RETAINED OR SEIZED PROPERTY

1. DISTRICT - PORT: 2402

2. SEIZURE NO. [Blank]

3. GENERAL ORDER NO. [Blank]

4. OTHER CONTROL NO. [Blank]

5. DATE RET/SEIZED: 11-10-92 TIME OF DAY: 2245

6. RETAINING/SEIZING OFFICER: S/A L. Frost

7. TELEPHONE NO.: (915) 540-5700

8. NAME & TYPE OF CARRIER [Blank]

9. NAME & ADDRESS 0F OWNER/CARRIER/CONSIGN:
Rasmusson, Deborah
1157 Leo Collins
El Paso, TX

10. EIN/IRS NO. [Blank] 11. NO. OF PKGS. [Blank]

12. APPROX. WGT. [Blank]

13. ENTRY NO (WHB, IT, TE, OTHER (DESCRIBE): [Blank]

14. SEAL OR OTHER ID NOS. (Bag Tag, B/L, AWG): [Blank]

15. IDENTIFYING MARKS PLACED ON SEIZURE: Initialed By 11619

16. SECTION OF LAW VIOLATED OR REASON FOR RETENTION: 31 USC 5314 18 USC 1956

17. IS PROPERTY TO BE HELD AS EVIDENCE 1: YES - GIVE LINE ITEM NO(S)

18. REMARKS (INCL. RECOMMENDED TYPE STORAGE, IF APPLICABLE): [Blank]

19. DISTRICT DIRECTOR'S ADDRESS: Robert Holler, 9400 Viscount, El Paso TX 79925

20. PROPERTY (By Line Item) Attach CF 58 if conveyance.

a. LINE ITEM NO.: b. DESCRIPTION: Financial Records

c. CONDITION: Blank d. TYPE OF CONTAINER: [Blank]

e. U/M: EA f. QTY: 5 g. APPRAISED DOMESTIC VALUE: [Blank]

h. HELD By DIST.: [Blank]

21. ACCEPTANCE/CHAIN OF CUSTODY

a. DATE: 11-10-92

b. BY - INDIVIDUAL, TITLE, ORGANIZATION: Lawrence Frost, SA, USCS

c. ITEM(S): 1 d. NO. OF UNITS:

e. SIGNATURE: L E. Frost /s/_____

[End of Excerpts]

[See TAOP at App. 192, ¶ 271-76]

EXCERPTS FROM
U.S. DEPARTMENT OF JUSTICE/FEDERAL BUREAU OF INVESTIGATION

FO-617 (Rev. 5-13-92) **SUBPOENA**

In the matter of case numbers Detroit File 245C-EP-29034

TO: Office of the Secretary
Ford Motor Company
World Headquarters
AT: Dearborn, Michigan

GREETING:

By the service of this subpoena upon you by SA PATRICK M. BRESNAHAN who is authorized to serve it, you are hereby commanded and required to appear before SA BRESNAHAN, an officer of the Federal Bureau of Investigation to give testimony and to bring with you and produce for examination the following books, records, and papers at the time and place hereinafter set forth:

> Any and all shipping records pertaining to shipments of Ford Motor Company goods by Rasmark Jet Charter, Incorporated of El Paso, Texas for the years 1990, 1991 and 1992.

PURSUANT TO AN OFFICIAL CRIMINAL INVESTIGATION OF A SUSPECTED FELONY BEING CONDUCTED BY THE FBI, IT IS REQUESTED THAT YOUR COMPANY FURNISH THE REQUESTED INFORMATION.

YOU ARE NOT TO DISCLOSE THE EXISTENCE OF THIS

REQUEST. ANY SUCH DISCLOSURE COULD OBSTRUCT AND IMPEDE THE INVESTIGATION BEING CONDUCTED AND THEREBY INTERFERE WITH THE ENFORCEMENT OF THE LAW.

Cost for Production of Records: Only financial institutions providing financial records under the Right to Financial Privacy Act (Public Law 95-630; 12 U.S.C. 3401 et seq.) and persons or entities providing certain electronic communications contents, subscriber records, or other information under the Electronic communications Privacy Act (Public Law 99-508, Title 11, Sect. 201; 18 U.S.C. 2706) are entitled to the payment of costs for production. If the anticipated costs of production are expected to exceed $500.00, please notify Special Agent Bresnahan of the dollar amount of the anticipated costs prior to the production of such records.

Place and time for appearance:

At 477 Michigan Avenue, 26th Floor, Detroit, Michigan 48226 on the 28th day of January 1993 at 9:00 o'clock A M. Failure to comply with this subpoena will render you liable to proceedings in the district court of the United States to enforce obedience to the requirements of this subpoena, and to punish default or disobedience.

Issued under authority of See. 506 of the comprehensive Drug Abuse Prevention and Control Act of 1970, Public Law No. 91-513 (21 U.S.C. 376)

ORIGINAL

Signature /s

Issued This 14th day of January 1993

Title: ASAC

[End of Excerpts]

[See TAOP at App. 207, ¶ 322-26]

[Paragraph numbers added to text]

DEPARTMENT OF THE TREASURY
U.S. CUSTOMS SERVICE
EL PASO, TEXAS

July 26, 1993

Ford Motor Company
Staff Security Investigations
American Road, Room 418
World Headquarters
Dearborn, MI 48121
ATTN: Phil Asiala

Dear Mr. Asiala,

1. The united States Customs Service, Office of the Special Agent in Charge, El Paso, Texas is currently engaged in a conspiracy investigation of one of Ford Motor Company's contract carriers, Rasmark Jet Charter Inc. The investigation involves alleged violations of numerous federal statutes.

2. During the course of this investigation, possible involvement of a Ford Motor Company employee, Andrew Gantkessy, has come to light. As of this date it appears that Mr. Gantkessy has received numerous cash payments and free Lear jet charters from Deborah Rasmusson as payment for favors Rasmark has been granted by Mr. Gantkessy while acting in his capacity as a Traffic Manager for Ford Motor Company. The interest of the United States Customs Service in this matter relates to possible false transportation invoices and concealment of income from these false invoices for international cargo flights Rasmark has allegedly made for Ford Motor Company.

3. The basis for the allegations relating to Mr. Gantkessy and

his relationship with Rasmark and a newly formed shell company, Next Flight Incorporated, are gleaned from several confidential source interviews. There is also information gained from statements made by Mr. Gantkessy during interviews with Special Agents assigned to this investigation which confirm the confidential source allegations. As of this date Special Agents have collected irrefutable evidence that Mr. Gantkessy has in fact received several thousand dollars in free aircraft charters and cash payments from Deborah Rasmusson, however Special Agents have not established which invoices submitted to Ford by Mr. Gantkessy for payment to Rasmark are fraudulent. Mr. Gantkessy has held firm, on his statement that Deborah Rasmusson gave him thousands of dollars because she liked him.

4. The following is a brief synopsis of the evidence obtained thus far which indicates a conspiracy to commit fraud by Rasmark and Mr. Gantkessy:

5. Mr. Gantkessy stated that Deborah Rasmusson offered him $5,000.00 per Ford charter which Mr. Gantkessy dispatched through Rasmark. Mr. Gantkessy stated that he declined this offer. However, Mr. Gantkessy stated that approximately one week after this offer he travelled to Las Vegas, Nevada with the Rasmussons and that all expenses were paid by the Rasmussons including $500.00 cash and additional slot machine money which he received from the Rasmussons.

6. Mr. Gantkassy stated that he was taken on a total of four trips to Las Vegas by the Rasmussons on Rasmark aircraft. Mr. Gantkessy further acknowledged that he went to the Super Bowl and two other professional football games in California with the Rasmussons on Rasmark aircraft. All of these trips and attendant accommodations were at no cost to Mr. Gantkessy. Mr. Gantkessy stated that he was told by Deborah Rasmusson that if anyone ever questioned his trips on Rasmark aircraft, he was to tell them that the trips were charters for which he had paid Rasmark and she would provide false invoices to him for verification.

7. Mr. Gantkessy stated that he received cash from Deborah Rasmusson on several occasions and that these "gifts" were in amounts

ranging from $50.00 to $3,500.00. Mr. Gantkessy stated that on one occasion, while in Las Vegas, Nevada, Mark Rasmusson gave him between $1,200.00 and $1,500.00, Mark Rasmusson stated that the money was from Deborah Rasmusson. Mr. Gantkessy stated that he does not know the total amount of cash he received from Rasmussons.

8. Mr. Gantkessy stated that Deborah Rasmusson offered him a percentage on a second air freight company she owns which is called Next Flight Inc. Mr. Gantkessy stated that he declined this offer.

9. Based on the above information the Special Agent in Charge, El Paso, Texas is requesting that Ford Motor Company Internal Security Division provide this office with all available information concerning this matter. It is specifically requested that you provide this office with all previous reports relating to this issue as well as copies of all invoices and billings by Rasmark to Ford Motor Company for air charter service. This office has special interest in flights between the United States and the Republic of Mexico.

10. Please direct any information which you develop or any questions regarding this matter to Special Agent Larry Frost of my staff. Special Agent Frost can be contacted at (915) 540-5700.

Sincerely,

/s/ MICHAEL T. LAPPE
Special Agent in Charge

[Filed 5/9/94]

EXCERPTS FROM EEO COMPLAINT OF ANDREW GANTKESSY

INTRODUCTION:

This is a complaint brought by Andrew Gantkessy to redress discrimination of a continuing nature against him based on a pattern and practice of discrimination by the Favesa Ford Motor Company as a person over forty (40), who assisted another individual in a prior EEO complaint.

AGE:

I am fifty nine (59) years old, and have been an employee of the Favesa (Ford Motor Company) for twenty four and one-half (24 1/2) years. Because I was an older employee, and was close to the age wherein I could retire, I have been discriminated against.

REPRISAL\RETALIATION:

Ms. Beverly Enriquez, an employee of Favesa (Ford Motor Company), filed a complaint alleging discrimination against her in early 1992. I do not know the specifics, but I do know that she alleged sexual harassment and a hostile work atmosphere based on unwelcomed sexual advances. I gave a statement in Beverly's behalf and fully supported the truth behind her allegations.

I know that another woman, Manuela Barron, also a Favesa employee, who also was sexually harassed and she complained about Joe Sudomir, Manager of Favesa Warehouse, during the investigation conducted by Ford at the El Paso warehouse location.

SPECIFICS:

1. During the years 1984 to 1993 I received performance ratings which were excellent or excellent plus.

2. During the year 1984, and from 1986 to 1991, I worked the most over time of any employee at Ford Favesa warehouse. I do not know whether I worked the most over time in 1992 but I was up there.

3. I never had any disciplinary action assessed against me in twenty four and one half (24 1/2) years.

4. In April of 1989, I received my promotion to General Traffic Analyst, grade 8, supervisor. I believed that I was in line for a promotion to a grade 9, and I based this on the fact I was responsible for the warehouse when the manager was absent. It should be further noted I oversaw the warehouse and negotiated rates with truck carriers when necessary.

When the promotion was made, it is given to Joe Sudomir, a person younger than me, without a degree. Management told me that

[End of Excerpts]

[See TAOP at App. 208, ¶ 328-331]

[Paragraph numbers added to text]

MEETING WITH U.S. CUSTOMS
AUGUST 18, 1993

1. A meeting was conducted with U.S. Customs Federal Agent, Larry Frost, in the restaurant of the Marriott Hotel on 8/18/93. Phil Asiala, WHQ Security, and Tim Pomaville, PTPD Personnel Relations were present. The intent of this meeting was an opportunity for Mr. Frost to explain the position of U.S. Customs in this matter, as it relates to Andy Gantkessy and Rasmark Charters.

2. Mr. Frost indicated that Gantkessy was deeply involved with the Rasmussons and Rasmark charters, and described pertinent testimony that implicates Gantkessy in accepting money, air transportation, and other forms of kickbacks from Rasmark. He further explained that there are 11 full-time federal agents from other departments within the Federal Government that are assigned on a full time basis to investigating this case. Their investigation centers around drug trafficking over the border from Mexico to the United States. He indicated that he could not discuss the investigation, nor could he reveal any other details, however, he assured us that Mr. Gantkessy has become a part of the investigation.

3. Mr. Frost reiterated the previous position of the government investigation, indicating that although he could not reveal their findings, that he had reviewed the matter with legal counsel. Based upon the advice from Federal lawyers, they can and will testify as to their knowledge of Gantkessy's activities while employed with Ford Motor Co. Although they do not want to jeopardize their ongoing investigation in criminal activities involving Rasmark, he assured us that if requested, they could legally answer questions regarding Gantkassy's activities and testimony during their investigation.

/s/ T. Pomaville

[See TAOP at App. 209, ¶ 333]

[Paragraph numbers added to text]

MEETING WITH U.S. CUSTOMS AND EL PASO POLICE SEPTEMBER 24, 1993

1. Met with Fred Schroeder, U.S. Customs and another member of the Task Force from the El Paso Police. They recommended that we speak with Bob Hunter from the air charter service known as Kitty Hawk. He knows a lot about the activities of Rasmark and Andy Gantkessy. He knew a lot about Gantkessy's corrupt activity even though he may not be subject to criminal prosecution. They did state, however, that Andy will most likely have major problems with the IRS, because it will be established that he has been receiving payoffs from Rasmark, and naturally, did not claim any of it. They describe Hunter as a willing participant who will quickly describe his knowledge of Gantkessy's cheating Ford out of large amounts of money and stating, "don't worry about it". In one of Mark Rasmusson's moments of anger over a pending divorce he made the statement to Hunter that Andy got paid of "big time".

2. Schroeder also states that it is important for us to know that the second meeting that they had with Gantkessy was at the request of Gantkessy, and he volunteered all of the information. He vas not asked, threatened, or coerced into saying anything, but came in voluntarily and admitted receiving marijuana from Debbie and $9,000 in cash, which did not include flights, gifts, lodging or any other costs of travel. He gave specific answers to questions and expounded on what he did. He stated that he knew he was violating Company rules. He said, "I'll cooperate, just don't tell Ford. I'll lose too much. I'll wear a tape recorder if you want, but just don't tell Ford".

3. It should be noted that he admits cheating on shipments by using more airplanes and other items to boost Rasmark profits.

4. THESE AGENTS REMINDED US OF ONE VERY IMPORTANT ISSUE. GANTKESSY CANNOT TAKE THE STAND AND TESTIFY ON ANY OF THESE ISSUES IF HE WERE TO BRING A LAWSUIT AT FORD, BECAUSE IT'S A CRIMINAL OFFENSE TO LIE TO FEDERAL AGENTS. IF THE ISSUE GOES TO COURT HE WILL END UP BEING PROSECUTED FOR FALSIFYING INFORMATION TO THE FEDERAL AUTHORITIES. THEY ARE STILL COOPERATING AND WILLING TO TESTIFY TO GANTKESSY'S PARTICIPATION IN ACTIVITIES OF RASMARK.

[Ford Motor Company's document No. F1000421]

[See TAOP at App. 196, ¶ 284–87]

[Paragraph numbers added to text]

EXCERPTS FROM GANTKESSY'S EEO FILE

January 2, 1992

CONFIDENTIAL

1. A series of meetings with various suppliers and employees who report to Sudomir were scheduled for the week of December 16, 1991. The purpose of the trip to El Paso was as follows:

Inform the employees and El Paso management of the Employee Relations Review results.

* Obtain written statements from employees regarding specific allegations.

* Interview suppliers regarding potential personnel issues and appropriate business -practices by Ford employees.

SUPPLIER (CARRIER) INTERVIEWS

2. Aero Freight, Inc. was identified by Ms. Rasmusson as a carrier who had experienced similar slow payment by Sudomir. Gail Beech and Mark Short were interviewed. The interviews were conducted on Tuesday, December 17, 1991.

GAII BEECH OWNER /PRESIDENT OF AERO FREIGHT, INC.

3. Beech believes that the Gantkessy and/or Sudomir have a sweet heart deal with Rasmark. Beech bases this belief on the following: Gantkessy was off work for one (1) month in

June 1991. During that period, Sudomir moved all the charter business to Aero Freight. Once Gantkessy returned, the charters were returned to Rasmark. Aero Freight informed Sudomir that they charged less than Rasmark for the same service and suggested that they provided better quality service. Further, Aero Freight asked if there was anything wrong, please inform the carrier so they could respond. Beech indicated that excluding Rasmark, all the carriers in the area charge the same fees. Beech indicated that there have been rumors among the pilots and operators regarding Rasmark and Ford's business relations. Rumors suggest that Gantkessy and possibly Sudomir are receiving sexual favors and are on the Rasmark payroll. According the Beech, Joe Teuchert, Viking Charter, (612-726-1640) stated that Ms. Rasmusson had instructed them to add $2,500 to all bills going to Ford. Aero Freight was able to achieve a cost reduction from Viking. Beech contacted Gantkessy to indicate the cheaper fees obtained from Viking would result in charging Ford less. Gantkessy called Ms. Rasmusson to inform her that Viking had struck a deal-with Aero Freight. Ms. Rasmusson called Viking to demand the same treatment. Beech suggests that Gantkessy went out of his way to protect Rasmark business. Beech indicated that she and others near the air field have observed Rasmark using three (3) or four (4) Lear jets when one (1) Falcon would do the job and was available. Beech stated that she and others have observed Rasmark load a plane and pull it out of the way waiting for one of their own pilots to return. Beech indicated that the appropriate procedure would be to use one of the other pilots available on the field to move the merchandise. That is, when customers come to a charter company they are in a hurry or they would send the products using another mode of transportation. Beech alleges that this practice is a special deal between Gantkessy and the carrier to increase business for Rasmark. Beech indicated that it was virtually impossible to get around Gantkessy She stated that he controls everything. Beech believes that Sudomir must be involved in the unprincipled business practices between El Paso warehouse and Rasmark.

4. Beach described Sudomir as short fused, very demanding

and does not cut one any slack.

5. It is very difficult to get payment from the warehouse. It takes 120 180 days for payment. One bill from Favasa took a year.

6. Beaech had mixed feelings regarding who was involved in slow Payment. Beech can't understand how Sudomir could not know what was going on. She believes that Sudomir was in on it, or Gantkessy effectively kept him isolated.

7. Beech believes there is no doubt that Gantkessy is on Rasmark's payroll. The only question from her perspective is whether Sudomir is also on Rasmark payroll.

8. Beech believes there is no explaining why Gantkessy would refuse Aero Freight and one hour later go to Rasmark and pay $.20 more per mile. She stated, this is a very competitive business, it is not just Aero Freight, the other carriers charge less than Rasmark and offer better service. Mc Crain Aviation made offers to Gantkessy which were refused. Everybody is cheaper than Rasmark for similar or better equipment and better service. Rasmark and Ford have been a joke around here with pilots and operators. Beech indicated that they used to sit and watch Rasmark violate FAA regulations. Rasmark would over fill the planes, damage the cargo, and Ford would continue to pay a premium price to do business with Rasmark.

9. Beech said she and the other operators and pilots have lost respect for Ford. The belief is that Ford is just giving away money. She indicated that everyone marveled at how every principle of good business is violated by Ford and Rasmark.

10. Cisa - Favesa shipment -- Aero Freight charged $1000 less per trip versus Rasmark. Yet, they were forced to use Rasmark. (Fernado Astiazaran, Manul Vega, and Juvensio Hernendes contact at 011-52-62170200 or 011-52-621-70450.)

11. Beech indicated that the unprincipled businesses practices have been going on for approximately 2 years. (Sudomir

and Ms. Rasmusson have both been involved just over 2 years.)

12. Beech described the history of Rasmark as follows:

13. Mark Rasmusson is the classic poor little rich boy. His grandfather invented the popsicle. Mark received a large inheritance. He invested the money in a few planes. Mark was a poor business person, all he really liked to do was fly. As a result, Mark worked for Aero Freight. Beech paid the bills, Mark flew his planes and Beech would give Mark a salary plus any profit from his assets.

14. Mark and a pilot (George Arnold) met Deborah Rasmusson on a trip to Alaska. Mark returned from the vacation telling stories about this prostitute he met named Deborah (Alaskan registered prostitute under the name of Deborah Maye). Mark told some sordid stories about his and George's experiences in Alaska. Approximately two weeks later on another trip to Alaska, Mark was married to Deborah and she owned one-half of Rasmark, Inc. Rasmark began to function independent of Aero Freight. . . .

15. Beech suggests that Deborah used the incident at the hotel room as blackmail to marry Mark and obtain co-ownership of Rasmark, Inc. Traffic people from other organizations talk of the parties and the sexual favors provided by Rasmark for business. One of the pilots said Deborah bragged that she had three (3) traffic managers, other then Ford's, on Rasmark's payroll (Beech did not reveal the name of the pilot). Hearsay suggests that Deborah is giving sexual favors to Gantkessy. Sudomir may also be involved. Hinez is the guy to talk to; He worked for Rasmark for approximately one year. Hinez left Rasmark because of corrupt business practices by Rasmark.

MARK SHORT, TRAFFIC SPECIALIST, AERO FREIGHT, INC,

16. Short stated that Ford and Rasmark are involved with graft and corruption. Ford is a pillar, yet they has become a joke

among the local carriers. It has been going on for a long time. Short indicated that he has a friend (Chris Hinez) who would like to discuss his experience with Rasmark. Hinez worked for Rasmark for approximately 11 months in 1990/91. Hinez may be reached at his home on (915) 779-2137 or by mobil telephone at (915) 526-4835. Short indicated that Beech refused to participate in any charters if Rasmark was involved in the shipment. Short was instructed by Beach to agree only if Aero Freight could bill Ford directly. He indicated that Beech felt Rasmark was unethical in their billing practices of Ford. Short indicated that Rasmark charges $2.90 per Lear 25 mile and Aero Freight charges $2.50 per Lear 25 mile. Short stated that the other carriers in the area charge the same rates Aero Freight, but, Rasmark is higher on all there freight charges. Short has heard that Rasmark charges Ford as high as $3.15 per Lear 25 mile. Short had brought this discrepancy to Gantkessv attention on several occasions. Gantkessy insisted on doing business with Rasmark.

CHRIS HINEZ TRAFFIC SPECIALIST, VIKING AVIATION

17. Hinez is a former employee of Rasmark, Inc. He worked for Rasmark for about 11 months in the 1990/91 period. Hinez is very interested in discussing his experiences as a Rasmark employee and Rasmarks' dealings with Ford. I spoke with Hinez by telephone on December 17, 1991. He contacted me at home on January 6, 1992. Hinez is fearful of Ms. Rasmusson and what action she might take if she discovered he was talking to Ford. Hinez said Ramusson has a reputation of threatening behavior. He supports this reputation with his observations of her making threatening telephone calls to another former employee of Rasmark in his presence.

18. Hinez has stated that he went to Gantkessy on numerous occasions with proposals to reduce charter costs. On every occasion Gantkessy objected to these initiatives. On several of these occasions Mr. Rasmusson and Gantkessy berated Hinez for his attempts. to reduce Ford's charter costs.

19. In a separate meeting scheduled by Gantkessy, Gantkessy told him that Ford is not his or Rasmark's friend. That it is not in his or Rasmark's best interest to decrease charter costs.

20. Hinez stated that in one incident he and Wade (warehouse employee) worked together to combine several partial Lear 25 flights into one Lear 25charter. Hinez and Wade achieved the savings by adding more pallets to a flight. The next day Gantkessy chastised Hinez for his effort. Gantkessy concluded his remarks by adding, now Rasmark does not have a flight for this morning.

21. Hinez told me about an incident that occurred in December of 1990. Ms.
Rasmusson sent Hinez out to cash a check for several thousand dollars. The check stub led Hinez to suspect the check was intended for Christmas bonuses for some employees. Hinez queried Rasmusson as to whether the money was for employee Christmas bonuses. Rasmusson responded that if you ever bring me the kind of business this guy has, you too will receive a bonus. Regarding the nature of the stub, Rasmusson indicated that she could not put down the real purpose for the check. The next evening at the Rasmark Christmas party attend by Gantkessy and held at the Rasmusson home, Gantkessy was giving extravagant tips to the bartender, who was Hinez's younger brother. Hinez said something to Ms. Rasmusson regarding Gantkessy's behavior she replied, don't worry about it, he has received a large sum of money. Hinez concluded that the check he cashed was for Gantkessy.

22. Gantkessy identified Stacy Barnett, Sales Representative, Burlington Northern and Susan Fowler-Cohen, Sales Representative, Roadway as female suppliers that Sudomir had made repeated comments about and who Gantkessy suggested may have been sexually harassed by Sudomir.

STACY BARNETT, SALES REPRESENTATIVE, BURLINGTON NORTHERN

23. Sudomir is very vocal. He is the kind of person who has no mid-point. He has a tendency to become very angry. All communications must go through Sudomir. There have been case were Sudomir has not been available, and Barnett went to Gantkessy as next and command. Sudomir would still become very angry and vocal. There has been a history of slow invoices. Barnett indicated a better person to contact would be Gerschen at (714) 752-1212. Barnett thought the slow invoices was related to a process problem. Barnett stated that Sudomir never sexually harassed her, that Sudomir never made sexual advancements or ever asked her out for date.

EMPLOYEE INTERVIEWS AND WRITTEN STATEMENTS

24. Additional one on one interviews were held with certain warehouse employees. At those meetings, specific occurrences cited by these employees in prior interview with the Salaried Personnel and Training Manager were reviewed and written statements were provided by the employees regarding some of their experiences (see attachments). In addition to specific questions, the employees were given an open agenda to discuss any issue of interest or concern.

MANUELA BARRON, DISTRIBUTION SPECIALIST A

25. Reluctant to discuss issues with PTPD representatives. There is very little trust Company management. She has been with the Company for six (6) years and like others in the office needs her job. She feels her job is at risk. Hence, very caution in discussions in an effort to protect her position.

26. She feels she is black balled by management. Believes early in her career she was assessed to have a weakness in getting along with others. This reputation involving Mexican Nationals has followed her throughout her tenure and she believes limits her

opportunities. Manuela stated that this was an unfair assessment and that management has not allowed her the opportunity to change this reputation acquired very early in her Ford career.

27. Manuela stated that there is a general attitude by local management that the Mexican Nationals are too stupid to learn. That these employees do not have potential to MR because of Nationality. She suggests that this attitude affects U.S. Hispanics as well.

28. Sudomir treated women as unreliable and thus not considered for other opportunities. He tended to give just secretarial work to the women.

29. Sudomir would stand very close to women. He would at times stand directly behind women and put his arm around our shoulders. Sudomir would use these positions as a means to intimidate women in the work force.

30. Sudomir would grab his genital area in front of women. At times he would do this standing very close. Sudomir did not do this around Gantkessy or the other men in the office.

31. Manuela indicated that she and the others did not go to Darin or other management representatives because of a feeling that management is infallible. Powers is not trustworthy regarding any statements in reference to Sudomir. Also, there is a general feeling that nothing would be done, and one would be left to face the wrath of local management. Sudomir's abusive behavior has been tolerated by local management. She did not believe it would be taken seriously if she complained, There is no trust or integrity in the system. Management is a very tight click in El Paso. What chance do you have against management?

32. Sudomir is a very vindictive sort of person. He has stated on several occasions that he would get even with someone. For example, Sudomir said he likes to keep the score even regarding his ex-wife. He has never become physically abusive with people. But, he has a very bad temper, frequently blows up and screams at people.

BEVERLY ENRIQUEZ DISTRIBUTION SPECIALIST A

33. He always threatened us with statements such as, I will always win. No one will get over on me.

34. Sudomir on numerous occasions asked Beverly out prior to becoming the supervisor at the warehouse. On one occasion she specifically asked him to stop asking her out for dates. Sudomir responded that one day she may work for him. A few weeks later Sudomir became the supervisor of the warehouse.

35. Beverly stated that Sudomir would stand very close to her and rub his genitals. She and other women in the work unit went to Gantkessy, but nothing changed. Asked why she did not go to upper levels of management she responded as follows: Beverly said she had gone to Powers in the past on other issues and her experiences were not positive. She gave an example of this experience. Beverly was late receiving a check. She told Sudomir about her late check, but he was not taking the initiative to obtain the check. She than [sic] went to Mr. Card, stating that her check did not show up and no one was helping her in this regard. Card went to Powers. Powers was able to obtain the check. Powers responded by throwing the check at Beverly, stating that she did not deserve the pay. Beverly went to Card again to discuss Powers behavior. She said, Powers apologized, but he and Sudomir has made her life hell! "Now, I was suppose to go to Powers for help? Gantkessy was the only avenue to attempt to voice concerns and disagreements. But, Sudomir and Powers cut him off.

36. Sudomir was constantly screaming at Beverly. Beverly went on sick leave and suggests it was the result of stress caused by Sudomir. She lost 25 pounds in one month.

37. Beverly became ill as a result of a social disease. Sudomir found out what the ailment was and told the other employees in the office. Berverly was off work for only two days, but on her return everyone already knew why she was off work. "They

made me ashamed of myself!"

38. Beverly became pregnant and went to tell Sudomir. Beverly asked that Sudomir not tell the other employees, that she would tell the other employees at a later date. Manuela was waiting to see Sudomir when Beverly left his office. Sudomir said, oh know not another one. You Know where the coat hanger is.

39. Beverly indicated that the sexual harassment continued until she became pregnant. Sudomir than began to turn his attention to Gracie. Grace is a supplemental employee who was unwilling to discuss her experiences.

40. Beverly was approximately 7 months pregnant in August of 1990. The air conditioning in the office was not working. The office was always warm and very hot in the afternoons. At times the temperatures were over 100 degrees. Beverly asked Sudomir to have the air conditioner repaired. He responded, "Ford does not have to provide an air conditioner for you." Beverly indicated that as a result of the working conditions she became very dehydrated and was hospitalized for a period and was on sick leave for the remainder of her pregnancy.

41. Beverly indicated that most of the employees are working 10 - 12 hours per day. They are paid for 8 or 9 hours a day. Sudomir stated that employees must work this amount of casual overtime during the week or they will not be schedule to work Saturday's. Beverly said the only time they were paid overtime was when Labadie was working out of their general office area.

42. Sudomir often referred to Mexican Nationals in a derogatory fashion.
would make reference to the Nationals as stupid and uneducable.

43. Beverly indicated that if Sudomir became angry with a supplier he would purposely slow down the payment on invoices. She personally witnessed Sudomir become angry with Burlington, TSI and Rasmark in which he instructed her not to pay the invoices. On

one occasion Sudomir took the invoice off Beverly's desk so she could not make payment.

44. Beverly discussed how Sudomir was very abusive to his employees. Sudomir would not allow the employees to laugh. If Sudomir heard people laughing in the office, he would come out of his office, scream at the employees stating that there was "too much bull shit going on around here."

45. Beverly stated that she or other employees could not go to Sudomir with an issue or problem. Sudomir's patented response was, "your not here to think, you do what I tell you to do." "And, don't go to Gantkessy for answers because he is a f_____ idiot." On one occasion Beverly went to Sudomir to indicate that some suppliers were being double paid. Sudomir responded again that she was not here to think, but do as he instructed her. Sudomir removed her computer access so she would not be able to detect other double payments.

ANDY GANTKESSV, TRAFFIC REPRESENTATIVE

46. Gantkessy stated that on several occasions in October and November 1991, Sudomir discussed the possibility that he might leave the Company. Sudomir indicated that Powers had given him full authority to select the cartage (warehousing and switching) company for the new warehouse. Sudomir said he was considering leaving Ford and going to work for Stagecoach. He said he would award the cartage contract to Stagecoach. Sudomir told Gantkessy that Sudomir would need be a silent partner for six months before showing his name as part owner. Sudomir told Gantkessy that he had discussed the six month wait issue with Powers.

47. During November 1991, Sudomir talked to Gantkessy about the amount of business the warehouse was doing with Rasmark. Sudomir said, "do you know how much money Rasmark is making off these charters?" He said we could be treated like kings by Rasmark. Sudomir indicated that Rasmark would fly us to Las Vegas

and other places. Sudomir also discussed the possibility of raising tariffs and receive a kick-back from Rasmark. Sudomir said we could do this with trucking companies as well. Gantkessy stated, that his replied that the Company would not pay increased tariffs with these firms. Sudomir's response was that there is way to get around Company procedures.

48. Gantkessy stated that Sudomir tried to do everyone's job. He would not allow people to do their job's, which created a great deal of stress. Sudomir was very abusive of his employees. He often boasted that Powers gave him full authority to hire and fire. Sudomir used this boast to threaten employees and to force the employees to yield to his commands. Gantkessy stated that some of the women in the office came to him to complain about Sudomir rubbing his genitals in front of the women. Gantkessy stated that he had observed Sudomir "playing with himself in front of the women on several occasions." When Gantkessy broached the issue with Sudomir, his response was, "f_____ them, they know what it is there for. If they don' t like it, have them come to me."

49. Gantkessy indicated that he witnessed a conversation Sudomir had with Roxanne (former hispanic/female warehouse employee). Sudomir stated that all those f_____ Hispanics are stupid. She said "Joe, you always pick on me and call me stupid. Gantkessy stated that Sudomir did always pick on Roxanne. Gantkessy suggested that Sudomir was intimidate[d] by Roxanne because she had a degree in a related field of study.

50. Gantkessy said that Sudomir had a long history of yelling, screaming and belittling employees in front of others.

/s/ Phil Asiala

[See TAOP at App. 208, ¶ 322-334]

[Paragraph numbers added to text]

EXCERPTS FROM DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE CRIMINAL INVESTIGATION, CONTINUING PROFESSIONAL EDUCATION, STUDENT TEXT

1. " . . . are part of an approved information-gathering project need not be notified. Obtain the information about these taxpayers from authorized third parties without first soliciting information directly from the taxpayer or representative. See IRM 9311.3(2)(a-i)

2. Caution should also be exercised in your investigations to see that your disclosures are only for the purpose of obtaining information necessary to your case. You should not merely give information to the recipient or merely speculate or indulge in idle rumor or discuss the taxpayer's affairs. In the 1981 decision Jimmie D. and Cher I Robers and Jim's Water Service, Inc. v Larry - Hyatt 697 F2d 899 (10th Cir) , the jury found that Mr. Hyatt repeated rumors that went beyond the disclosures necessary to the investigation.

3. A final word on investigative disclosures involves the use by the recipient of any information you disclose in the course of your investigation. There is no restriction on further disclosure by the witness or recipient. This can have severe repercussions in sensitive cases. So remember to limit your investigative disclosures to the extent necessary to conduct a proper investigation."

[Training 4160-29 (10-88) TPDS 88520]

[End of Excerpts]

[See TAOP at App. 202, ¶ ¶ 306-320]

EXCERPTS FROM RECEIPT #: A66441
DATE: 10-25-92
THE TOY STORE

Handwritten Note on Receipt: "Due to Debra For Loreta Gantkessy"

Cashier: 68 Time: 13:18

Sales Person: 68 Kathy

Trans Type: 01 Sale

How Paid: 01 Cash

SKU	Descrip	QTY	Amount
03-107	Lying Lione	1	99.00
	Tax		6.93
	Total		105.93

[End of Excerpts]

EXCERPTS FROM MASTERCARD GOLD STATEMENT TO RASMARK JET CHARTER, INC.

El Paso State Bank

114 E San Antonio St
El Paso, TX 79901

Account Number 5437 7533 6003 4306

Payment Due Date: 02/05/93

Rasmark Jet Charter Inc.
6825 Convair
El Paso TX 79925-1059

Transaction Date	Description of New Activity	Posting Date	Amount
12-23-92	Slip No 0000200392840 Jazz Hair & Nail	01-05-93	$200.30

[Handwritten Note: Loretta Gantkessy]

[End of Excerpts]

EXCERPT: SUMMARY OF CORPORATE CARD ACCOUNT, AMERICAN EXPRESS

Deborah M. Rasmusson
Rasmark Jet Charter
6805 Boeing Drive
El Paso, TX 79925-1105

Corporate Account Number: 3782-046130-13004

Reference Number	Item Number	Description of Monthly Activity	Charges
501078	7	Buning The Florist #Miami, FL 000084803 Flowers/Plants/Gifts 03/18/93	$ 59.54
501078	8	L.A. Roses Century City CA 40001499 Flowers/Plants/Gifts 03/18/93	$120.97

[Handwritten Note: " Andy"]

EXCERPTS FROM RASMARK'S AIR CARRIER CERTIFICATE

AIR CARRIER CERTIFICATE

This certifies that

RASMARK JET CHARTER,.INC.
6825 CONVAIR ROAD
EL PASO INTERNATIONAL AIRPORT
EL PASO, TEXAS 79925

has met the requirements of the Federal Aviation Act of 1958, as amended, and the rules, regulations, and standards prescribed thereunder for the issuance of this certificate and is hereby authorized to operate as. an air carrier and conduct common carriage operations in accordance with said Act and the rules, regulations, and standards prescribed thereunder and the terms, conditions, and limitations contained in the approved operations specifications.

This certificate is not transferable and, unless sooner surrendered, suspended, or revoked, shall continue in effect indefinitely.

By Direction of the Administrator

Certificate number JOGA28OF /s/ Richard W. Blondefield
(Signature)

Effective date: FEBRUARY 1, 1987 MANAGER
(Title)

Issued at: SW-01 SOUTHWEST REGION, FSDO-01
(Region/Office)

REISSUED: JULY 20,1989
FAA Form 8430-18 (6-87)

[End of Excerpts]

EXCERPTS OF SOUTHWESTERN BELL YELLOW PAGES DIRECTORY ADVERTISING INVOICE

TEL NO: 915-772-4616
ACCOUNT NO: 503-3638-110
DIRECTORY ADVERTISING INVOICE BILL
DATE: JAN 29 1990

PAGE I OF 1

Date	ACTIVITY	Amount
12- 9	Previous Total Balance	604.78
1- 4	Payment	604.78CR
	Total Balance	0.00

PRESENT ADVERTISING INFORMATION

Directory	Date of	Remaining Installments	Remaining Balance
EL PASO	APR 1989	2	403.18

No payment due> $0.00

Thank you for advertising in The Southwestern Bell Yellow Pages

[End of Excerpts]

EXCERPTS FROM LETTER FROM EL PASO CHAMBER OF COMMERCE BLDG.

EL PAS0 INTERNATIONAL
AMIGO
AIRSHO

March 1, 1990

Mark Rasmusson
Rasmark
6825 Convair
El Paso, TX 79925

Dear Mark:

The 1990 El Paso International Amigo Airsho is celebrating its 10th Anniversary, October 12, 13, and 14th. This year's "Circus in the Sky" will feature a Friday Twilight Sho with Warbirds and a Fireworks Finale. The Canadian Snowbirds Jet Team, along with civilian and military performers, will highlight our Saturday and Sunday Sho.

The Amigo Airsho is a non-profit organization promoting aviation's history, accomplishments and goals. The Amigo Airshols goal is to raise funds for charitable organizations and bring recognition to the greater El Paso Metroplex by attracting over 75,000 enthusiasts from El Paso, Mexico, Las Cruces and surrounding areas. In an all-volunteer effort of more than 1500 people, the Amigo Airsho has donated over $325,000 to hundreds of local charities and civic organizations.

We would like to request your aircraft for static display in the 1990 Amigo Airsho. Aircraft are displayed within the secured parameters of

Biggs Army Airfield, a base used regularly by a full spectrum of military aircraft. ...

Sincerely,

/s/ Rose Harris
Office Manager

/s/ Holli Ball
Administrative Assistant

[End of Excerpts]

EXCERPTS FROM CERTIFICATE OF APPRECIATION

THE AMIGO
AIRSHO

In celebrating our
"Tenth Year in the Clouds"
the Amigo Airsho extends sincere gratitude to

RASMARK JET CHARTER

for your generous support in helping to make our dream become a reality!

Presented this 18th day of May, 1990
at the ten year Birthday Celebration at Biggs Army Airfield

[End of Excerpts]

EXCERPTS FROM LETTER OF APPRECIATION CHILDREN'S MIRACLE NETWORK TELETHON PROVIDENCE MEMORIAL HOSPITAL

September 5, 1990

Debra M. Rasmusson
Vice President Manager
RASMARK Jet Charter, Inc
6825 Convair Road
El Paso, Texas 79925

Dear Debra,

I want to thank you for your wonderful donation for the Gold Rush Gala for our Providence Memorial Foundation.

Judy Clabaugh with Chloee's Restaurant at Embassy Suites has been a wonderful volunteer for us for a long time and her help on these special projects is invaluable. I know, also, we can work together on similar projects for Children's Miracle Network.

Let's stay in touch and we'll plan something for the Telethon next June.

Sincerely,

/s/ Barbara J. Higgins

Children's Miracle Network
Telethon Coordinator

[End of Excerpts]

EXCERPTS FROM RASMARK'S LETTER TO PROVIDENCE MEMORIAL FOUNDATION

Dear Gentlemen:

Please find enclosed, Check No. 2862, in the amount of $3,300.00, as payment on Pledge No. 126.

We would like to thank you, for your generous invitation, to attend this years fund raising event, Gold Rush 190.

We enjoyed ourselves immensely, and appreciated the opportunity you gave us to purchase the Vacation Package to Alaska.

It was the perfect occasion, to not only enjoy ourselves, but also make a difference in El Paso's community. ...

/s/ Mark & Debra Rasmusson
Owners - Rasmark Jet

[End of Excerpts]

EXCERPTS FROM LETTER OF APPRECIATION PROVIDENCE MEMORIAL FOUNDATION

December 17, 1990

Debra & Mark Rasmussen [sic]
Rasmark Jet Charter, Inc.
6825 Convair Road
El Paso, Texas 79902

Dear Debra & Mark:

Please accept my personal "Thanks"for your most generous gift of the wonderful trip to San Diego, given in support of our first charity dinner/auction entitled "Gold Rush '90". As you know, this was the first major fund raising, event to benefit Providence Memorial Hospital under the newly established Foundation. Your generous support made this event a wonderful success. . . .

Your Friend,

/s/ James M. Peak
President

[End of Excerpts]

LETTER OF APPRECIATION
CHILDREN'S MIRACLE NETWORK TELETHON

June 14, 1991

Debra Rasmusson
Rasmark Jet Charter
6825 Convair Road
El Paso Int'l Airport
El Paso, TX 79925

Dear Debra:

Thank you so much for your most generous donation to Providence Memorial Hospital who sponsors the Children's Miracle Network Telethon. This is a not-for-profit organization supported by grants and funds received from private and public organizations. It helps serve children in our Pediatric Oncology Unit, Pediatric Intensive Care Unit, Intensive Care Nursery, as well as the Border Children's Health Center. Children come from, El Paso, surrounding communities, southern New Mexico and northern Mexico.

This letter gratefully acknowledges your $500 donation to Providence Memorial Hospital for the benefit of the Children's Miracle Network Telethon. Thanks to generous supporters as yourself, El Paso raised over $401,000.00 during for the 1991 telethon.

Again, thank you for your overwheln-Ang support. We look forward to working with you in the future.

Sincerely,

/s/Barbara J. Higgins
Telethon Coordinator

EXCERPTS FROM LETTER OF APPRECIATION PROVIDENCE MEMORIAL FOUNDATION

September 16, 1991

Mark and Deb Rassmusen [sic]
Rasmark Jet Charter, Inc.
6825 Convair Rd.
El Paso, TX 79925

Dear Mark and Deb,

On, behalf of Providence Memorial Foundation and the Gold Rush Guild, I would like to express our heartfelt appreciation for your generous gift of the trip for six to Las Vegas to be used for Gold Rush '91. Because of friends such as you, last year's gala netted more than $72,000 in cash and gifts-in-kind for the benefit of Providence Memorial Hospital. . . .

Sincerely

/s/ Bettie P. Beckworth
Director for Annual Giving and Special Events

[End of Excerpts]

[See TAOP, at App. 938, ¶ 106(7); App. 944, ¶ 119]

EXCERPTS FROM ORDER IN DIVORCE MATTER DIVIDING PROPERTY, LIABILITIES AND APPOINTING CPA ANDREW HADDAD

IN THE DISTRICT COURT OF EL PASO COUNTY, TEXAS
171ST JUDICIAL DISTRICT

IN THE MATTER OF	*	
THE MARRIAGE OF:	*	
	*	
DEBORAH LYNN RASMUSSON	*	Cause No. 93-2717
	*	
AND	*	
	*	
MARK, B. RASMUSSON	*	
INDIVDUALLY AND	*	
RASMARK JET CHARTER, INC.	*	

ORDER

On October 15, 1993 and October 22, 1993, came on to be heard the Motion for Enforcement and Order to Appear filed by Petitioner herein, DEBORAH LYNN RASMUSSON, and further came on to be heard the Motion for Enforcement and order to Appear filed by Respondent herein, MARK B. RASMUSSON. . . .

4. Monthly Compensation to be Paid to--Petitioner and Respondent by RASMARK JET CHARTER, INC.

The Court having heretofore found that Petitioner and Respondent are the owners of one hundred percent (100%) of the stock issued by RASMARK JET CHARTER, INC., and having further found that the parties have stipulated and agreed to the following order; IT IS THEREFORE ORDERED that:

1. DEBORAH LYNN RASMUSSON and MARK B. RASMUSSON shall each receive f rom RASMARK JET CHARTER, INC. the net (after Federal Income Tax and FICA withholding) sum of NINE THOUSAND FIVE HUNDRED AND No/100 DOLLARS ($9,500.00) per month, payable in two equal monthly installments of FOUR THOUSAND SEVEN HUNDRED FIFTY AND No/100 DOLLARS ($4,750.00) each, with the first payment being due and payable on the first payday at RASMARK JET CHARTER, INC. after November 1, 1993, and a like payment being due and payable on each and every payday thereafter until further order of the Court. The term "payday", as used herein, shall mean the regularly scheduled payday for the employees of RASMARK JET CHARTER, INC. which occur not less than two times each calendar month on the first and third Mondays of each calendar month. In the event that there are not sufficient funds on hand in the account or accounts of RASMARK JET CHARTER, INC. on any given payday in order to pay the parties' compensation as ordered hereinabove, then in such event Mr. Andrew Haddad, CPA, shall determine the sum to be paid to the parties, but in no event shall either party be paid less than the other. If the parties are paid a reduced amount on any given payday, at such time thereafter when Mr. Andrew Haddad, CPA, shall determine that RASMARK JET CHARTER, INC. can pay the parties the difference between the reduced amount received by them and the amount ordered to be paid to them, Andrew Haddad shall issue additional checks payable to the parties in equal sums and in an amount necessary to bring current any arrearage due and owing by RASMARK JET CHARTER, INC. to the parties as per the terms of this Order.

2. On each payday at RASMARK JET CHARTER, INC. subsequent to November 1, 1993, Mr. Andrew Haddad, CPA, will issue checks to Petitioner and Respondent in the sums above ordered and deliver or cause to be delivered each of said checks to the party entitled thereto.

3. Neither Petitioner or Respondent shall receive any compensation from RASMARK JET CHARTER, INC. in excess of the sum of NINE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($9,500.00) hereinabove ordered to be paid to Petitioner and

to Respondent each month, nor shall Petitioner or Respondent utilize any assets belonging to RASMARK JET CHARTER, INC. for personal purposes or benefit.

4. Petitioner, DEBORAH L. RASMUSSON, and Respondent, MARK B. RASMUSSON, are specifically ordered not to use RASMARK JET CHARTER, INC. credit cards or other credit of RASMARK JET CHARTER, INC. for any personal expense or benefit. The credit of RASMARK JET CHARTER, INC. shall be utilized only for ordinary necessary business expenses.

5. **Payment of Liabilities.**

IT IS ORDERED that DEBORAH LYNN RASMUSSON shall be responsible for the timely payment of the following:

1. The monthly payment, including principal, interest, tax and insurance, due and owing on or secured by a lien on 11157 Leo Collins, El Paso, Texas.

2. The monthly payment secured by a lien on the 1989 Mercedes Benz motor vehicle in the possession of Petitioner.

3. The monthly payment secured by a lien on the 1992 Mercury motor vehicle in the possession of Petitioner.

4. All debts and liabilities incurred by DEBORAH LYNN RASMUSSON subsequent to the filing of this cause, unless express provision is made herein to the contrary.

IT IS FURTHER ORDERED that MARK B. RASMUSSON shall be responsible for the timely payment of the following:

1. The monthly payment due and owing on or secured by a lien on the two parcels of real property located in the State of Colorado.

2. Any and all debts and liabilities incurred by Respondent

subsequent to the date of the filing of this cause, unless express provision is made herein to the contrary.

3. In the event that Any sum shall become due and payable on the real property of the parties located in San Carlos, Mexico, MARK B. RASMUSSON shall, within three (3) days of receipt of notice by him that a sum or sums are due and owing on the San Carlos, Mexico property, give written notice by certified mail, return receipt requested, of the amount due and the date when due to DEBORAH LYNN RASMUSSON and her attorney, James R. Dallas.

IT IS ORDERED AND DECREED that each party shall insure, at his or her own expense, any motor vehicle ordered to be in his or her exclusive possession. IT IS ORDERED that such insurance shall provide the same or greater coverage than that which was provided by the policy now or most recently in effect.

6. **Appointment of Andrew Haddad, CPA.**

The Court, having found that the parties have stipulated and agreed to the following order, hereby orders that Mr. Andrew Haddad, CPA, beginning October 22, 1993 at 10:00 a.m., shall receipt and account f or any and all receivables, regardless of the source or nature thereof, thereafter received by CHARTER, INC. and shall write all checks for all disbursements to be made from the account or accounts of RASMARK JET CHARTER, INC. In addition thereto, IT IS ORDERED that Andrew Haddad, CPA, will prepare a written report of all receipts and disbursements of RASMARK JET CHARTER, INC. each week, and such report shall be made available to Petitioner and to Respondent weekly. IT IS FURTHER ORDERED that Petitioner and Respondent will execute any and all documents necessary to empower Andrew Haddad to perform the duties described hereinabove including but not limited to the execution of a corporate resolution to remove the current signatories on all corporate accounts and to replace said signatories on all corporate accounts with Mr. Andrew Haddad. Nothing contained in this order is intended to or shall be construed as requiring RASMARK JET CHARTER, INC. to exclusively utilize the services of

Mr. Andrew Haddad, CPA for other accounting services to be hereafter provided such corporation. . . .

10. **Property and Exchange of Property.**

The Court finds that the following orders respecting theproperty and parties are necessary and equitable.

IT IS ORDERED that Petitioner have the exclusive and private use and possession of the following property during. the pendency of this suit:

1. The residence located at 11157 Leo Collins, El Paso, Texas, together with all furniture, furnishings, fixtures, household goods, and equipment located therein which are not hereinafter specifically awarded to Respondent.

2. The 1989 Mercedes Benz motor vehicle.

3. All of Petitioner's clothing, jewelry and personal effects.

4. One (1) 1992 Sea Doos Jet Ski.

5. One (1) 1990 Mock One Snowmobile.

6. One (1) 1992 Mercury motor vehicle.

7. one (1) "Akita" dog with pinto markings.

8. Petitioner's clothing, jewelry, and personal effects at Eagle Storage, Unit No.. 16, Eagle, Colorado.

9. Petitioner's fishing equipment, diving equipment, clothing and personal effects located at the residence of the parties in San Carlos, Mexico.

IT IS ORDERED that Respondent have the exclusive and

private use and possession of the following property during the pendency of this suit:

1. The residence located at 1611 Dale Douglas, El Paso, Texas, together with all furniture, furnishings, fixtures, household goods, and equipment located therein which are not hereinafter specifically awarded to Petitioner.

2. The all furniture, furnishings, fixtures and equipment located therein which is not awarded to Petitioner hereinabove.

3. That certain real property located in San Carlos, Mexico which is improved with a residential structure, together with all furniture, furnishings, fixtures and equipment located therein which is not awarded to Petitioner hereinabove.

4. All of Respondent's clothing, jewelry and personal effects.

5. The following items of personal property located at 11157. Leo Collins, El Paso, Texas:

(a) Respondent's clothing, jewelry and personal effects.

(b) The sunroom furniture located in the sunroom.

(c) The .9 mm pistol, shotgun, .44 caliber pistol, and AR-15 rifle.

(d) The Snap-on tool cabinet.

(e) The black lacquer bedroom set (with sheets, blanket and pillow) located in the guest bedroom.

(f) The kitchen table with four chairs.

(g) A portion of the kitchen equipment, being dishes, pots, pans, and one microwave.

(h) One (1) 25 inch television.

(i) One (1) stereo (being the stereo being connected to the intercom system at 11157 Leo Collins, El Paso, Texas).

(j) One (1) non-laser disk player.

6. One (1) 1991 Kawasaki four wheeler.

7. One (1) 1987 Harley Davidson motorcycle.

8. one (1) 1992 Porsche 930 motor vehicle.

9. 1984 and 1992 Ford Broncos.

10. One (1) 1979 Volkswagen convertible.

11. One (1) GMC one ton truck with camper.

12. Two (2) BMW race cars.

13. One (1) 1985 33' Baylines boat.

14. One (1) 1979 Taylor Craft 18' boat.

15. One (1) 1966 18' Century Resorts boat.

16. One (1) 1992 Sea Doos Jet Ski.

17. One (1) 1992 Arctic Cat Snowmobile.

18. one (1) 1991 Chevrolet Suburban.

19. Remote control airplanes and helicopter.

20. Respondent's golf clubs.

21. Snap-on Tool cabinet . . .

14. **Effect on Prior Orders.**

IT IS ORDERED that all prior orders and injunctions entered in this cause which are not in specific conflict with this additional Temporary order will continue in full force and effect until further order of the Court

SIGNED on the 23rd day of February, 1994.

RECOMMENDED:

/s/
COURT MASTER

/s/ Sam M. Paxson
PRESIDING JUDGE

[See TAOP at App. 137, ¶ 57; App. 149, ¶ 106; App. 155, ¶ 130; App. 169, ¶¶ 188-195]

EXCERPTS FROM USCS EVIDENCE TAG

C 9 SECRETARY'S OFFICE

CHARTER INFO SHEETS

BULLETIN BOARD

CASE:EP02CR90EP0013 - PORTILLO

Seized Under Warrant On 112293
By S/A DANIEL URBINA
At 6805 BOEING DRIVE
In EL PASO, TX <<EVIDENCE TAG>>

[End of Excerpts]

[See TAOP at App. 215, ¶ 357-363]

[Paragraph numbers added to text]

LETTER FROM RASMARK TO USCS REGARDING RETURN OF PROPERTY FEBRUARY 21, 1994

Department of the Treasury
U.S. Customs Service
Larry Frost - Special Agent
9400 Viscount Blvd., Suite 200
El Paso, TX 79925-7060

Dear Mr. Frost,

1. As per your conversation with Mrs. Sanchez, we are formally requesting the hi-lighted referenced items on the inventory list.

2. Items hi-lighted in blue are requested by the Bookkeeper. These items are urgently [emphasis in original] needed, being that she is working on the year end closing. She is also requesting some old material because she is having problems collecting from our customers.

3. Items hi-lighted in yellow are being requested by the Director of Maintenance. As you may be aware the FAA requires that we have them in our possession and up-to-date.

4. Items in orange are being requested by our Chief Pilot. These records are essential for daily operations. We are required by the FAA to have them on hand.

5. The items hi-lighted in pink are being requested by our Secretary. The WordPerfect 6.0 diskettes are needed to re-install the program in the computer. The information in the rolodexes is nearly impossible to replace and desperately needed.

6. Thank you, for your prompt attention to this matter. Do not hesitate to call if you have any questions. Should you require our runner to pick-up the requested materials please give us a call and we will send someone immediately.

Yours truly,

/s/ Mark B. Rasmusson
President

MBR/ecv

encl

[See TAOP at App. 215, ¶ 357-363]

[Paragraph numbers added to text]

LETTER FROM RASMARK TO USCS REGARDING RETURN OF PROPERTY JUNE 8, 1994

Department of Treasury
U.S. Customs Service
Larry Frost - Special Agent
9400 Viscount Blvd. Suite 200
El Paso, Texas 79925-7060

Dear Mr. Frost:

1. As per my recent telephone conversation with you, we are formally requesting the original or copies of the original documents listed below and referenced to your inventory list which is also enclosed with the requested items and highlighted for clarification.

2. The items that are being requested are requested by the Aircraft Maintenance Manager, for Rasmark Jet Charter, Inc. As you may be aware, The Federal Aviation Administration requires that these... documents, aircraft and aircraft engine logbooks, be in our possession and be updated on a regular basis. These logbooks are ESSENTIAL in tracking hour and cycle limited components, as well as the inspection status. The documents requested are the only records that exist and cannot be replaced.

3. Thank you for your assistance in this matter. Do not hesitate to call if you [have any questions or if I can be of any help in identifying, copying or in any other way, please contact me. Should you

require us to pick up the requested materials, we will send someone immediately.

Yours truly,

/s/ Mark Rasmuson
President

/s/ Larry L. Vaughan
Aircraft Maintenance Manager

[Page two]

DOCUMENTS REQUESTED
BY ROOM AND ITEM NUMBER

Room	Number	
A	8	Aircraft Service records
B	2	N513T Maintenance records
B	3	Maintenance/Repair records
E	1	N513T #10 logbooks
E	2	N513T #7 logbooks
E	3	N513T #9 logbooks
E	4	N513T #11 logbooks
E	5	N513T Current logs
E	6	N513T #8 logbooks
E	7	Maintenance data

4. The following items are not specificaly identified in the inventory, but may be included in the unspecific entrees [sic] such as:

Entry: A-8 "aircraft service records"
B-3 "maintenance/repair records" or
E-7 "maintenance data".

5. If they are not, the following documents are also requested:

Aircraft engine log books or service records for General .Electric CJ 610-6 Turbo Jet.Engines:

251-298A	251-254A
251-745A	241C-162A

Airframe Log Books for the following aircraft:

DA-20 (Falcon 20) SN.123 Log Books #1 through #6
LR-25C (Learjet 25C) SN.129 Log Books #1 through current

[See TAOP at App. 215, ¶ 357-363]

[Paragraph numbers added to text]

LETTER FROM RASMARK TO USCS REGARDING RETURN OF PROPERTY AUGUST 23, 1994

Department of the Treasury
U.S. Customs Service
Larry Frost - Special Agent
9400 Viscount Blvd., Suite 200
El Paso, TX 79925-7060

Dear Mr. Frost:

We are formally requesting the original or copies of the original documents listed, and referenced to your inventory list which is also enclosed with the requested items and highlighted for clarification. Thank you for your assistance in this matter. Please do not hesitate to call if you have any questions, or if I can be of any assistance in identifying, copying or in any other way. Should you require us to pick up the requested materials, we will send someone to your office immediately.

Yours truly,

/s/ Mark B. Rasmusson
President

[Page two]

DOCUMENTS REQUESTED BY ROOM AND ITEM NUMBER

Room	Number	Description	Room
A	5	FLIGHT LOGS	MARK
A	6	EL PASO STATE BANK RECORDS	MARK
A	8	AIRCRAFT SERVICE RECORDS	MARK
A	50	EL PASO STATE BANK FILE	MARK
B	2	N513T MAINTENANCE RECORD	MARK
B	36	VEHICLE REGISTRATION	MARK
B	38	AIRCRAFT REGISTRATION FILES	MARK
B	45	AIRCRAFT REGISTRATIONS	MARK
B	49	ROLODEX	MARK
C	19	WP 5.1 & WP 6 DISKETTES	SECRETARY

C	29		LOTUS BANK RECORD BACKUP FILES	SECRETARY
C		30	PEACHTREE FILES	BOOKKEEPER
D	1		ACCOUNTS RECEIVABLE	BOOKKEEPER
THROUGH				
D		23	ACCOUNTS RECEIVABLE	

[See TAOP at App. 215, ¶ 357-363]

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
EL PASO DIVISION

RASMARK JET CHARTER, INC., DEBORAH LYNN RASMUSSON and MARK B. RASMUSSON,	*	FILED: APRIL 25, 1995
Plaintiffs,	*	
Vs.	*	Cause Nos.: 93-124OR-01 and 93-124IR-01
UNITED STATES OF AMERICA,	*	
Defendant.	*	

MOTION FOR RETURN OF PROPERTY

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, RASMARK JET CHARTER, INC., a Texas Corporation, DEBORAH LYNN RASMUSSON and MARK B. RASMUSSON, hereinafter collectively called "Movants", and file this joint MOTION FOR RETURN OF PROPERTY and for cause would show the Court as follows:

1. This Motion is filed pursuant to the provisions of Rule 41(e) of the Federal Rules of Criminal Procedure.

2. On or about November, 1993, agents of the United States Government executed Search Warrant Numbers 93-124OR-01 and 93-1241R-01 at the offices of RASMARK JET CHARTER, INC. and the residence of DEBORAH RASMUSSON, both of which locations are in El Paso, El Paso County, Texas. During the course of the search, agents

of the United States Government seized the business and/or business related documents of Movants located at the above described locations in El Paso, Texas.

3. The UNITED STATES OF AMERICA, through its agents have retained custody and control of the aforementioned records and documents continuously since November, 1993, for a period of time in excess of fourteen (14) months. The Government has had ample time to review and examine said records and to determine which if any of said records, they need to retain copies of for any legitimate law enforcement purpose.

4. Individual Movants herein, DEBORAH LYNN RASMUSSON and MARK B. RASMUSSON, would show the Court that in 1993 and prior to the execution of the hereinabove described search warrants by agents of the United States Government, DEBORAH LYNN RASMUSSON filed for divorce in Cause No. 93-2717, styled In the Matter of the Marriage of DEBORAH LYNN RASMUSSON and MARK B. RASMUSSON, Individually, and RASMARK JET CHARTER, INC., which cause is now pending in the 171st Judicial District Court of El Paso County, Texas. DEBORAH LYNN RASMUSSON and MARK B. RASMUSSON would show the Court that complex characterization and valuation issues exist in Cause No. 93-2717 and that a substantial portion of the documents confiscated by the Government in November of 1993 are relevant and material to those issues. Further, said individual Movants would show the Court that confiscation of the above referenced documents by the Government has prevented said parties from proceeding with discovery, settlement negotiations and/or trial preparation in the above referenced divorce case.

5. Movants would show the Court that to date no Movant in this cause has been indicted or otherwise charged with any criminal offense by the UNITED STATES OF AMERICA.

6. In view of the foregoing circumstances, Movants would request that the Court immediately Order that all documents, or in the alternative, copies of all documents confiscated pursuant to the

hereinabove described search warrant be forthwith returned to the rightful possession of Movants.

Respectfully submitted,

/s/ James R. Dallas
LIPSON, DALLAS & WEISER, P.C.
Attorney for DEBORAH LYNN RASMUSSON

NO CONTEST:

/s/ DAVID R. ROSADO
Assistant U. S. Attorney

/s/ John Bright
ANDERSON, ANDERSON & BRIGHT
Attorney for MARK B. RASMUSSON

[See TAOP at App. 215, ¶ 357-363]

FILED
May 2, 1995

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
EL PASO DIVISION

RASMARK JET CHARTER, INC., DEBORAH LYNN RASMUSSON and MARK B. RASMUSSON,	)	
Plaintiffs,	)	
V.	)	No. 93-124OR-01 and 93-1241R-01
UNITED STATES OF AMERICA,	)	
Defendant.	)	

ORDER

On this date came on to be considered the Motion for Return of Property filed by Movants, RASMARK JET CHARTER, INC., DEBORAH LYNN RASMUSSON, and MARK B. RASMUSSON. Assistant United States Attorney David R. Rosado does not contest the Motion, as indicated by his signature on page 3 of the Motion., After telephone conversations with AUSA Rosado and Movants' attorney, James R. Dallas, the court finds that the following order should be entered.

It is therefore ORDERED that, no later than May 16, 1995 at 5:00 p.m., Mr. James R. Dallas, or his agents, shall pick up all documents seized by United States Customs agents pursuant to Search Warrants with Magistrate numbers 93-124OR-01 and 93-1241R-01 at the following two locations: (1) 9400 Viscount, Suite 200, El Paso,

Texas 79925; and (2) the Paso Del Norte Port of Entry in El Paso, Texas.

SIGNED and ENTERED this 2nd day of May, 1995.

/s/ JANET RUESCH
United States Magistrate Judge

[See TAOP at App. 195, ¶ 280]

EXCERPTS FROM REDACTED
USCS REPORT NO. 062

REQUESTED BY: BRAZELL, BRUCE M

OFFICIAL USE ONLY

DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE
REPORT OF INVESTIGATION

1. **[redacted: 7E]**

2. PAGE 1

3. CASE NUMBER
OCDETF NO: **[redacted: 7E]**

4. TITLE: GUILLERMO PORTILLO

5. CASE STATUS: INTERIM RPT

6. REPORT DATE
[redacted: 7E]

7. DATE ASSIGNED
[redacted: 7E]

8. CLASS
[redacted: 7E]

9. PROGRAM CODE
[redacted: 7E]

10. REPORT NO.
[redacted: 7E]

11. RELATED CASE NUMBERS: [blank]

12. COLLATERAL REG: [blank]

13. TYPE OF REPORT: **[redacted: 6]**

TOPIC: INTERVIEW OF **[redacted: 6]**

14. SYNOPSIS: On March 1, 1993, **[redacted: 6, 7E]** interviewed **[redacted: 6, 7E]** is assigned to the El Paso International Airport and observed activity in the area of RASMARK Jet charter.

15. DISTRIBUTION:
[redacted: 7E]

16. SIGNATURE: [blank]
[redacted: 6]
SPEC AGENT

17. APPROVED: [blank]
[redacted: 6]
OE GRP SUPERVISOR

18. ORIGIN OFFICE:
[redacted: 7E]

19. TELEPHONE: **[redacted: 6]**

20. TYPIST: **[redacted: 6]**

OFFICIAL USE ONLY

THIS DOCUMENT IS LOANED TO YOU FOR OFFICIAL USE ONLY AND REMAINS THE PROPERTY OF THE US CUSTOMS

SERVICE. ANY FURTHER REQUEST FOR DISCLOSURE OF THIS DOCUMENT OR INFORMATION CONTAINED HEREIN SHOULD BE REFERRED TO HEADQUARTERS, US CUSTOMS SERVICE TOGETHER WITH A COPY OF THE DOCUMENT.

[Paragraph numbers added to text]

DETAILS OF INTERVIEW:

1. On March 1, 1993, **[redacted: 6]** provided the following statement **[redacted: 6]**in regards to activities around RASMARK Jet Charter:

2. On July 13, 1992 **[redacted: 6]**was working the 2300 to 0700 hrs. shift at the El Paso International Airport. **[redacted: 6]** stated that at I:25 AM he was sent to Sate 62 (T-hangar area) because a vehicle was blocking the gate. When he arrived at the gate **[redacted: 6]** stated that he found a large yellow truck with Chihuahua plates stopped at the gate. **[redacted: 6]** further stated that the truck was occupied by **[redacted: 6, 7E]**. The two men told **[redacted: 6]** they needed in the gate to deliver some seat belts to RASMARK Air. **[redacted: 6]** stated that while he was checking on the two men, a vehicle arrived from inside of the airport gate. **[redacted: 6]** stated that the vehicle had come from the area of RASMARK Air and contained two white males. **[redacted: 6]** stated that a blond male exited the vehicle and verified the truck drivers story. The blond male stated he was from RASMARK Air. It was further explained to **[redacted: 6]** that the seat belts were for Ford Motor Company and needed to be flown immediately to Detroit. **[redacted: 6]** stated that he was shown paper work on the seat belts and being satisfied at this point he allowed the truck to enter.

3. **[redacted: 6]** stated that he felt further investigation was needed and drove near some hangars with his lights out and surveilled the Rasmark building. He watched the loading of a Lear Jet and noticed a male subject stationed away from the plane, facing north towards the

airport and another male positioned to face south towards Boeing St.

4. **[redacted: 6]** stated that he took no actions but later reported the matter to **[redacted: 6, 7E]** did note the incident with the truck at the gate, on his log sheet and a copy has been obtained.

[End of Excerpts]

[See TAOP at App. 216, ¶ 365–395]

[Paragraph numbers added to text]

EXCERPTS FROM BLUE RIBBON PANEL REPORT

. . .notwithstanding his poor management in the Southwest region position. How do you explain that?

1. Ms. HALLETT. Mr. Chairman, I think that many times the effectiveness of an employee is based on personalities. I believe that the movement of this particular employee to another location, working with a very strong manager, is in fact exactly what was needed for someone with many years of proven experience in the Customs Service.

2. Mr. BARNARD. Ms. Hallett, I get the impression that your folks cannot do any wrong. Everything is misunderstood, it is innuendo, it is rumor, and the testimony by whistleblowers has no effect at all on the Customs Service. They just seem to be oblivious. I am eager now to let you explain to me what happened Monday in San Antonio and how you are going to explain that away.

3. Ms. HALLETT. Mr. Chairman, I will simply tell you, as I gave you some significant detail yesterday, which obviously I am not going to share--

4. Mr. BARNARD. I am not asking you to do that.

5. Ms. HALLETT. Let me tell you what I did do. There were apparently statements made Monday in the SAC office, in a meeting of all of the employees, which we have referred directly yesterday to the Office of Special Counsel. That is the right place to refer any issues that are of concern, of the nature that we discussed.

6. Mr. BARNARD. Why not the Justice Department?

7. Ms. HALLETT. That would not be the appropriate place.

8. Mr. BARNARD. Oh, absolutely. There is suspicion that there is a violation of title 18 of the United States Code.

9. Ms. HALLETT. The FBI already turned it down, Mr. Chairman.

10. Mr. BARNARD. When?

11. Ms. HALLETT. It was brought to the FBI by the individuals who reported this information.

12. Mr. BARNARD. When?

13. Ms. HALLETT. On Monday. Monday afternoon the FBI turned it down.

14. Mr. BARNARD. That is not the information we heard, but we will follow up on that..

[Subcommittee note: See appendix 10 for correspondence with the FBI.]

15. Ms. HALLETT. I would encourage that.

16. Mr. BARNARD. If nothing has come out of all of these hearings, maybe it is encouraging to know that 2 years ago this would have been whitewashed, too.

17. Ms. HALLETT. Mr. Chairman, within 2 hours after I learned of this, we took immediate action. Customs employees have done things wrong. I have said that before, and I will repeat that. Managers have been punished for their wrongdoing, and they will continue to be punished. We are not, for one moment, trying to insinuate that everyone is perfect, but there are a lot of people who, given an opportunity to work under another manager or to do something in a different area, will in fact be a strong manager, and they will in fact be able to do the job well.

18. Mr. BARNARD. I do not dispute that in any way.

19. Mr. LANE, did the former San Antonio SAC, Mr. Lageman, during 1990 or 1991, ask you for your assistance, help, or intervention in any way?

20. Mr. LANE. I do not think so, Mr. Chairman.

21. Mr. BARNARD. In no way?

22. Mr. LANE. I said I do not think so. I did not talk to Neil Lageman very frequently after his transfer to San Antonio. I saw him maybe three or four times and spoke to him maybe a dozen times since that time. I knew he had significant problems down there. I do not think he ever called upon me to do anything.

23. Mr. BARNARD. I understand it was your decision to recuse yourself from the consideration process of Mr. Lageman. Is that the case?

24. Mr. LANE. Yes, sir.

25. Mr. BARNARD. Is it not also the case that in a meeting with Ms. Hallett in April or May 1991, you did participate, offered opinions in the matter, during those discussions?

26. Mr. LANE. I was at that meeting. I do not think it was a significant meeting. It was just a meeting to exchange information on the background in San Antonio. I did not have a significant role in that meeting.

27. Mr. BARNARD. At that meeting, no decisions were discussed with you about Mr. Lageman?

28. Mr. LANE. Decisions were discussed, and I think I did offer opinions.

29. Mr. BARNARD. So in other words, you did not absolutely

recuse yourself. Why did you want to recuse yourself to begin with?

30. Mr. LANE. I think that the main reason was that people were quite aware of my relationship with Mr. Lageman. I think there would have been a perception that I let him off easy if I were the deciding official.

31. Mr. BARNARD. The severity of his case, that would have been terrible if he had been punished any further than that.

32. Mr. Lane, you state in your testimony that you were shown the April 1990 management report and letters from employees of the San Antonio SAC office about problems within that office and misconduct by Mr. Lageman. You also stated in your testimony that you did not report this information to the inspector general because you believed these allegations were already under investigation by either the inspector general or Internal Affairs. What led you to that conclusion?

33. Mr. LANE. I would be briefed periodically on significant investigations by Internal Affairs.

34. Mr. BARNARD. What about the inspector general? Did they also
brief you?

35. Mr. LANE. No. During that timeframe, I was not receiving briefings from them. I knew from Internal Affairs that there was an investigation on Lageman.

36. Mr. BARNARD. Despite the fact that you believed either the IG or Internal Affairs were investigating these matters, the Treasury's Minimum Standards of Conduct Manual require any Treasury employee who has information indicating that another employee has engaged in criminal conduct or violated the standards of conduct to convey the information to the inspector general or to the appropriate Office of Internal Affairs. Should you not have conveyed these allegations to ensure that they were properly reported and investigated?

37. Mr. LANE. Sir, I had every reason to believe that everything there that should have been under investigation was under investigation. I based that on this. I had been briefed by Internal Affair that there was an investigation on Lageman. Second, I knew that here was a great deal of attention being put on the San Antonio office at that time. It seemed like in San Antonio people were using the system appropriately to bring things to IA and IG attention. Third, I did feel that it was important to act, based on that report and those letters, immediately to do something on the substantive issues regarding Lageman's performance. That is the direction that I took.

38. Mr. BARNARD. Ms. Hallett, what plans were you making to appoint a Blue Ribbon Panel, if at all, before 1991?

39. Ms. HALLETT. In late 1990, Mr. Chairman, we were very concerned about persistent allegations in the press of widespread systemic corruption in southwest Texas. We created a think tank group at Customs that met daily to work on this problem, to try to determine what was going on in that area, whether there was, in fact, systemic corruption, and whether we were overlooking something in that area.

40. It continued to move forward, and in early 1991, the problem continued to become more vocalized in the press. We had contacts from you and your committee staff. During this time, we were meeting on a daily basis. In fact, it included the deputy chief counsel, it included Mr. Lane, it included Ms. Spero, and it included others of considerable stature in the Customs Service, trying to determine what the problems were.

41. I realized, after about mid-February, that we simply were not getting enough done. I came up with the idea to create a Blue Ribbon Panel. I believed also that for a panel to have any credibility, it would have to be made up with a majority of people from outside the Customs Service. So I went to the Department of Justice and asked them if they would suggest a name. They suggested Mr. Warren. None of us had ever heard of Mr. Warren before. I went to the Treasury 'Department. They did the same thing, and they suggested another representative. I went to the former head of GSA and asked for a

recommendation, and they recommended someone I had never heard of. I took those recommendations based on the integrity of the agency or the individuals and asked them to participate.

42. Mr. BARNARD. I guess the main question I have is this: In other words, you had been anticipating for some time the appointment of a Blue Ribbon Panel?

43. Ms. HALLETT. Mr. Chairman, I really first thought that we would be able to resolve the problems and find out what the problems were and get them corrected with our daily think tank group meetings. I just did not believe the problems were as big as they turned out to be. I had already started to take action in that area by making some personnel changes. I was not satisfied with what was going on.

44. Mr. BARNARD. Were you doing that strictly on the basis of press
reports?

45. Ms. HALLETT. Not at all. Those press reports had absolutely nothing whatsoever to do with the personnel changes that I made or the concern I had with what was going on.

46. Mr. BARNARD. From your testimony this morning, though, you indicate to me that none of the accusations that were made had any influence on the decisions of the Customs Service at all. Now you are telling me that it was the press reports that led you to have the concern necessary to eventually set up the Blue Ribbon Panel.

47. Ms. HALLETT. It was not the press reports that did that. It was the press reports that caused me to set up a daily think tank group. Frankly, the previous concerns I had are what caused me to make a change in the Regional Commissioner, believing that it was important to try and get to the bottom of some of the things that were going on.

48. Mr. BARNARD. Maybe I am the only member of this panel that has listened to the degree that I have. This is why I gave you the full reins this morning to do a great job in promoting the Customs

Service, the wonderful job you are doing, and the fact that all of these allegations are baseless. I listened very carefully, and I have heard hardly anything. Yet, I am hearing at the end that somehow or other, you were concerned enough, even before we wrote you the letters, to set up a Blue Ribbon Panel.

49. It is inconsistent, in my view, to get all these glowing reports about nothing being wrong, that all we have had are irresponsible whistleblowers making these accusations, and the rest of it is rumor, and the press is all wet from the standpoint of what they have been reporting. I just do not think the Customs agency has accepted responsibility.

50. Ms. HALLETT. Mr. Chairman, first of all, at the time, I did not realize that we had such serious problems in mismanagement in southwest Texas. I knew we had management problems, and that is why I made changes.

51. Mr. BARNARD. I did not get that impression from the testimony today, Ms. Hallett.

52. Ms. HALLETT. Mr. Chairman, those are what the findings are. I told you that I was not glossing over. We had serious problems; those were my exact words.

53. Mr. BARNARD. We have discussed this privately and otherwise. You did not want any case studies brought before the committee, mainly because of the stated fact that Customs did not have a systemic problem. Somewhere along the line, the problem was systemic enough for you to take a very broad--and I compliment you for that--a broad step forward to set up a Blue Ribbon Panel. . . .

[End of Excerpts]

[See TAOP at App. 219, ¶ 373

[Paragraph numbers added to text]

EXCERPTS FROM NEWSPAPER ARTICLE A SPECIAL REPRINT OF THE ALBUQUERQUE JOURNAL EDITION OF WEDNESDAY, OCT. 24,1995

*17

WHISTLE-BLOWER SAYS TRUTH HAS PRICE RETALIATION ALLEGED AFTER CUSTOMS BUST

By MIKE GALLAGHER of the Journal

1. Former Customs group supervisor Ward Olson has a word of advice for would-be whistle-blowers: "Don't." "Being a whistle-blower ended my career," said Olson, who took early retirement in 1993. "You get that feeling in the back of your neck that they are laying for you because there is no authority in the federal government that is going to keep them in check. You become a sitting target."

2. Olson was in charge of air-smuggling investigations in the Albuquerque Customs office from the late 1980s until his retirement.

3. Olson claims that, in 1991, three cases his unit was working on were quashed by Michael Lappe, then-special agent in charge of the El Paso office.

4. "These were the three best leads we had at the time," Olson said in a recent interview.

5. Lappe, in a telephone interview, flatly denies any retaliation against Olson and denied quashing any investigations.

6. Olson had crossed Lappe in 1990 when Olson was supervisor of Operation Transwestern, an undercover air-smuggling

sting investigation in which agents provided smuggling services to foreign drug suppliers.

7. Lappe held a news conference in June 1990, after the seizure of a large shipment of cocaine at an air strip near Mountainair.

8. Albuquerque reporters were misled about the nature of the undercover operation during the news conference -- which Olson says was held over his objections and those of his supervisor and the FBI.

9. Lappe told reporters that Colombians were bringing cocaine into "the heartland of America," when the delivery had been arranged by undercover Customs agents.

10. In fact, Customs had been involved at every point in transporting the cocaine from international waters outside of Colombia to Mountainair. The Colombian drug suppliers later were convicted of federal drug charges after a jury rejected defense arguments of entrapment by undercover agents.

11. The Albuquerque media challenged Lappe's statements and raised questions about Customs' role in the case.

12. Lappe, Olson and Jerry Padallino, then-assistant regional commissioner for enforcement, were summoned to Washington, where they explained the news conference incident to members of the state's congressional delegation.

13. The three men met with Sen. Pete Domenici, R-N.M., and Olson said Lappe lied to Domenici when the senator asked if Customs agents were on the plane transporting the cocaine.

14. Lappe said he can't recall details of the meeting, but he said during a recent interview that he might have been confused in some replies to Domenici's questions.

15. The FBI, which participated in the case and news conference, reviewed statements made at the news conference.

16. Then-FBI director William Sessions admitted in a letter to Domenici, " ... I must acknowledge that there were several misrepresentations made to the news media. Law enforcement is based on trust between citizens served and Government. A breach of that trust, as evidenced in this incident, erodes the effectiveness of all law enforcement."

17. After the controversy died down, Olson said he found an expected promotion stalled and investigations into drug smuggling and money laundering quashed by Lappe.

18. Lappe later denied the allegations to federal investigators.

19. Lappe, now stationed in Europe, agreed to a recent telephone Interview. "Ward's perceptions were a little bit distorted," Lappe said. "Ward was treated well. I thought we were friends, and he began making all these allegations that were totally false.

20. "He caused me a lot of heartburn for 15 months."

21. But Olson insists that his formal complaints about Lappe's conduct led to cases being quashed and ultimately to his retirement. . .

.

'NO ONE STOLE THE MONEY'

22. One of Olson's allegations appeared to be substantiated by the OIG investigation.

23. He claimed that $10,000 seized in Operation Transwestern was transferred to a separate money-laundering investigation El Paso in violation of a legal opinion by Customs attorneys.

24. Lappe said in his affidavit that he was only vaguely aware of the two undercover operations and referred OIG to someone else, whose name was redacted.

25. According to the report, this person confirmed the money was transferred but said it didn't violate internal directives.

26. A legal memorandum from the chief counsel for Customs contradicts that conclusion.

27. The report shows that Lappe circulated a 1991 opinion "to supervisors in the El.Paso district"

28. According to the opinion, released under the Freedom of Information Act, money seized in one undercover operation may be used to keep that operation going but shouldn't be transferred to another.

29. Once the operation is completed, any money is .supposed to be turned over to the Department of the Treasury.

30. According to the legal opinion, "the proceeds from an undercover operation may be used to offset necessary and reasonable expenses incurred in such operation ...

31. "However because proceeds are not subject to a specific appropriation, Customs should be particularly prudent in expending them. For this reason, we believe that Customs must expend proceeds only for articles or other purposes directly attributable to a particular operation. Moreover proceeds may not be expended for carrying out Customs general enforcement work."

32. Lappe's cover memo to supervisors calls the document "an excellent memorandum . .. outlining what can and cannot be done with undercover funds."

33. Lappe said that if the funds were transferred, they were not misused.

34. "No one stole the money, it was used for a legitimate law enforcement investigation," Lappe said. "This was common procedure until they told us to stop it, which we did."

35. Olson said in a recent interview the $10,000 transfer occurred after the counsel's memo was circulated. Customs has not responded to the Journal's request in early 1994 under the Freedom of Information Act for records of the transfer.

36. Olson also said he was ordered by supervisors in El Paso to deny OIG auditors access to accounts for Operation Transwestern.

37. Lappe said, "That's simply not true. The office was audited constantly and no one ever found any problems."

38. OIG would not release information concerning its auditors being denied access to undercover accounts.

39. Customs has not responded to the Journal's request for information on that allegation.

40. Customs did release a file, with Olson's consent, on an internal affairs investigation of Olson, which found that an allegation that he leaked information to a criminal informant was unfounded. . . .

[End of Excerpts]

[See TAOP at App. 155, ¶ 130; App. 222, ¶ 386-88]

EXCERPTS FROM MICHAEL LAPPE''S MEMORANDUM 4-16-92 REGARDING OPERATION TRANSWESTERN

UNITED STATES GOVERNMENT
DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

Date: April 16, 1992
File: ENF-1 E:EO:EP:AL DJD

TO: Director, Office Domestic Operations
Attention: Headquarters Review Panel
FROM: Special Agent in Charge, El Paso, Texas

Subject: Desk Audit For Group Supervisor Ward R. Olson

By memorandum your office requested additional information in order to make a competent evaluation of a previous request by my office to upgrade the GM-13 Aviation Investigations Group Supervisor, RAC/Albuquerque to a SM-14 due to accretion of duties. The position that will require a desk audit has been held by Ward R. Olson since March 29, 1987.

Attached to this memorandum was a form applicable. to a request for a desk audit from a GS-12 to GS-13. Since this form does not specifically apply to the task at hand, I will provide the requested information in a format that addresses the issues and mirrors the suggested format as closely as possible.

As the-Special Agent in Charge of the El Paso office, I endorse the attached request for a desk audit for Ward R. Olson, Group Supervisor, RAC/Albuquerque. I certify the following information is

correct and accurate:

1. I have reviewed the cases cited in this memorandum and they accurately reflect the investigations conducted by the personnel supervised by G/S Ward R. Olson.

2. The case numbers of the cited investigations are . . . AL13CROAL030, . . . and . . ..

AL13CR0AL030 OPERATION TRANSWESTERN

[Subparagraphing added to text]

a. Headquarters certified undercover operation which resulted in the arrest and conviction of five persons and the seizure of 1252 pounds of cocaine. . . .

b. AL13CROAL030- Four defendants were arrested in Newark, New Jersey as a result of a controlled delivery of 569 kilos of cocaine. One defendant was located and arrested in Philadelphia, Pennsylvania. All five defendants were subsequently indicted and convicted in the District of New Mexico. Agents under the supervision of G/S Olson conducted the undercover investigations that resulted in these arrests.

SEIZURES, 1NDICTMENTS, AND PENALTIES

c. AL13CROAL030

1. 569 kilos of cocaine

2. $204 in U.S. currency

Note: $460,084 in U.S. currency was received as proceeds in this investigation. . . .

9. The cited cases were initiated by agents under the supervision of G/S Ward Olson. G/S Olson was the first line supervisor

for each of these cases and as such, was responsible for all aspects of case management.

10. Number of collateral leads sent by agents operating under the supervision of G/S Olson in cited cases and offices foreign and domestic, to which leads were sent.

d. As the first line supervisor, Ward Olson reviewed all of the investigative work conducted in the, cited cases. G/S Olson approved all ROIs [Reports of Investigations] in which collateral investigation was requested to ensure that all requests were necessary to further the initial investigations. Collateral activity an the cited cases is summarized below. . . .

e. AL13CROAL030-A substantial amount of investigative activity on this case took place outside of the Albuquerque area. G/S Olson supervised the activities of the case agent on trips to Miami, Florida to meet with one of the violators and on several collateral requests written on this case. This investigation had to be coordinated with the SAC/Miami and with Headquarters due to the fact that foreign travel was involved. This case resulted in an undercover trip to Colombia to obtain cocaine for a controlled delivery into the United States and G/S Olson was the first line supervisor for all of these activities. After the arrival of the cocaine into New Mexico the violators advised that the ultimate delivery point was New York City. G/S Olson coordinated the activities of this office along with agents of the SAC/Miami and SAC/Newark in order to facilitate the controlled delivery in Newark, New Jersey. G/S Olson traveled to Newark on two occasions to supervise the controlled delivery and to coordinate activities between the various offices involved. After the arrests had occurred in Newark, there were several collateral requests to various offices in preparation for trial. These included: Miami, Florida; Houston, Texas; Philadelphia, Pennsylvania; Tucson, Arizona and Newark, New Jersey. Additional defendant briefings produced testimony of corruption within the offices of a U.S. Embassy in a South American country and within a foreign government. This information was documented and forwarded to the proper investigative jurisdictions.

. . .

f. AL13CROAL030- Consensual monitoring was utilized in this investigation and recordings were made of telephone conversations between the violators and the undercover agents. At the time of the controlled delivery in Newark, Customs installed audio and video recording devices in the motel room to record the meetings between the undercover agent and the primary violator in this case. The resulting video was of such excellent quality that it had significant impact on the decision of all violators to plead guilty in this case.

13. Number of personnel Group Supervisor Olson supervises:

g. Daily Supervision- Ward Olson is the supervisor of a co-located air smuggling investigations group in Albuquerque, NM. This group is currently staffed with two GS-13 Special Agents, one GS-12 Special Agent, one GS-9 Customs Patrol Officer, and one GS-13 TDY Special Agent. In addition, GS Olson is responsible for supervising the investigative activities of approximately fifty Customs Pilots and Air Interdiction Officers assigned to the Albuquerque Air Branch. A number of the pilots and air branch supervisors that operate under the investigative supervision of G/S Olson are GS-13s and GM-14s. These officers are not authorized to open an investigative case write an ROI, or document a source of information without the approval of GS Olson. G/S Olson has also been requested to assist in training a GM-14 Group Supervisor that has recently been appointed to supervise another air smuggling investigations group in the El Paso SAC District. . . .

h. AL13CROAL030: In addition to the case agent, G/S Olson supervised the various agents/AIOs/pilots ho participated in the undercover operation. At the time of the controlled delivery, there were participants from the RAC/Albuquerques SAC/Miami, SAC/Newark as well as state and local law enforcement agencies. This operation required G/S Olson to participate in the supervision/coordination of the controlled delivery operation in Newark, New Jersey. There was a total participation of over 40 law enforcement officers in this investigation.

. . .

/s/ Michael T. Lappe
Special Agent in Charge

[End of Excerpts]

[See TAOP at App. 219, ¶ 375]

LETTER TO CAROL HALLETT
U.S.C.S. COMMISSIONER: OCTOBER 15, 1991

Ward R. Olson
4520 Sherwood, NE
Albuquerque, NM 87109
505-881-4431

Carol Hallett
U.S. Customs Commissioner
1301 Constitution Ave. NW
Washington, D.C.

Dear Commissioner,

Attached for your review and forwarded as a courtesy is a copy of a letter I am sending this same date to U.S. Senator Domenici.

In that letter I have outlined adverse events & issues that exist in the El Paso District. I have taken this step as I have exhausted any established procedures for addressing those issues within the existing framework.

I ask that you consider carefully the information contained. The entire Southwest Region is awaiting some positive action from you commensurate with your rhetoric in the E-Mail system. I wish to say that unfulfilled promises of reform have more of a deleterious effect on moral than the uncompleted work of the blue-ribbon panel.

I prey [sic] that you don't believe that your work is done with the examination only a portion of the Southwest Region.

Sincerely,

/s/ Ward R. Olson